ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

THE TOWN OF FLOWER MOUND TEXAS

Town of Flower Mound, Texas

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2023

Town Manager
James Childers

Chief Financial Officer
Tammy Wilson, CPA

Prepared By:

Tammy Wilson, CPA
Chief Financial Officer

Mary Huning, CPA
Director of Accounting Services

Julie Taylor, CPA
Director of Treasury Operations

Sharon Roberts
Accounting Supervisor

Vacant
Director of Budget Services

Brittni Barnett
Grants and Financial Analyst

Carolyn Brewer
Senior Accounting Technician

Tina Adkins
Accounting Technician

Rosemarie Hill
Accounting Technician

Judy Watson
Payroll Technician

THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 1
Organization Chart 11
Principal Officials 12
Certificate of Achievement 13

FINANCIAL SECTION

Independent Auditor's Report 15

Management's Discussion and Analysis 19

Basic Financial Statements:
- Government-wide Financial Statements:
  - Statement of Net Position 29
  - Statement of Activities 30
- Fund Financial Statements:
  - Governmental Fund Financial Statements:
    - Balance Sheet 32
    - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 33
    - Statement of Revenues, Expenditures and Changes in Fund Balances 34
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
  - Proprietary Fund Financial Statements:
    - Statement of Net Position 36
    - Reconciliation of the Enterprise Fund Statement of Net Position to the Government-wide Statement of Net Position 37
    - Statement of Revenues, Expenses and Changes in Fund Net Position 38
    - Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position of Enterprise Funds to the Statement of Activities 39
    - Statement of Cash Flows 40
  - Fiduciary Fund Financial Statements:
    - Statement of Fiduciary Net Position 41
    - Statement of Changes in Net Position 42
- Notes to the Basic Financial Statements 43

Required Supplementary Information
- Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund 81
- Notes to Required Supplementary Information 82
- TMRS Schedule of Changes in Net Pension Liability and Related Ratios 84
- TMRS Schedule of Contributions 85
- TMRS SDBF Schedule of Changes in Total OPEB Liability and Related Ratios 86
- Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios 87

FINANCIAL SECTION (Continued) .....Page

Combining and Individual Fund Statements and Schedules
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Debt Service Fund 89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Capital Projects Fund 91

Combining Statements Non-Major Governmental Funds
Balance Sheet 92
Statement of Revenues, Expenditures, and Changes in Fund Balance 94

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Nonmajor Governmental Funds:
Library Development Fund 96
TIRZ Fund 97
Park Development Fund 98
Tree Preservation Fund 99
PEG Fund 100
Street Maintenance-Sales Tax Fund 101
Parks 4B-Sales Tax Fund 102
Crime District-Sales Tax Fund 103
Fire District-Sales Tax Fund 104
Flower Mound Log Cabin Fund 105
Police Seizure Fund 106
IRS Equitable Sharing Fund 107
Justice Seizures Fund 108
Chapter 59 Seizures Fund 109
Animal Care Fund 110
SAFER Grant Fund 111
CDBG-HUD Grant Fund 112
Grants Fund 113
Neighborhood Improvement Fund 114
COVID-19 Fund 115
Hotel Occupancy Tax Fund 116
Municipal Court Security Fund 117
Municipal Court Technology Fund 118
Municipal Court Jury Fund 119
Municipal Court Truancy Prevention Fund 120

Internal Service Funds
Combining Statement of Net Position 121
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 122
Combining Statement of Cash Flows 123

STATISTICAL SECTION (Unaudited).....Page

Net Position by Component 126
Changes in Net Position..... 128
Fund Balances of Governmental Funds..... 130
Changes in Fund Balance of Governmental Funds 132
Assessed Value and Estimated Actual Value of Taxable Property..... 134
Property Tax Rates – Direct and Overlapping Governments..... 135
Principal Property Taxpayers 137
Property Tax Levies and Collections..... 138
Ratios of Outstanding Debt by Type 140
Ratios of Net General Bonded Debt Outstanding 141
Direct and Overlapping Governmental Activities Debt 142
Legal Debt Margin Information..... 143
Pledged-Revenue Coverage..... 144
Demographic and Economic Statistics..... 145
Principal Employers 146
Full-time Equivalent Town Government Employees by Function..... 147
Operating Indicators by Function 148
Capital Asset Statistics by Function 150

COMPLIANCE

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 151

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance..... 153

Schedule of Expenditures of Federal Awards 156

Notes to the Schedule of Expenditures of Federal Awards..... 157

Schedule of Findings and Questioned Costs 158

THE TOWN OF
FLOWER MOUND
TEXAS

March 13, 2024

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

It is with great pleasure we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the Town of Flower Mound for the fiscal year ended September 30, 2023. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each and every department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm of Eide Bailly LLP, Certified Public Accountants, is included as part of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary falls in Tarrant County, as well. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 80,883. Flower Mound is a master-planned community with an emphasis on SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, Grapevine-Colleyville, and Northwest Independent School Districts also providing educational services for smaller areas of the Town. LISD encompasses more than 127 square miles and serves more than 50,000 students in 13 North Texas communities. There are 21 LISD schools located in Flower Mound: 2 high schools, 2 9th grade campuses, 5 middle

schools, and 12 elementary schools. Most of these campuses are rated ‘Exemplary’ or ‘Recognized’ by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted November 3, 1981 by a vote of the citizens. The Town operates under a council-manager form of government and provides a full range of services, as authorized by its Charter, including Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year, for the fiscal year beginning October 1. Prior to August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30 or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis, until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,350 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, office, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of September 2023 was 3.3 percent, compared to a 4.1 percent rate for Texas and 3.8 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its proximity to two major airports: Dallas/Fort Worth International Airport located three miles south of the Town, and Alliance Airport located five miles to the southwest. DFW International Airport serves an average of 200,000 customers per day and is known as the economic engine of the North Central Texas region. The airport produces over $37 billion in economic impact across north Texas each year, with 228,000 full-time jobs.

Transportation

Flower Mound has two major arterials: FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting to Interstate-35E and Interstate-35W. I-35 is a NAFTA-recognized highway, routing transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project which includes direct connections between FM 2499 and I 635, SH 114 and SH 121; and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provide by Governor Abbott and the Texas Legislature to reduce gridlock in some of the state’s most congested area. The project reached substantial completion in August 2021, six months ahead of schedule.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector which offers many widely needed services to the Town and to Denton County. Texas Health Presbyterian Hospital Flower Mound opened in 2010 in the central, mixed-use development. The River Walk at Central Park. In December of 2015, the hospital completed construction of a 19,000-sq. ft. expansion which included 4 new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically-advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April of 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. In 2019, additional surgical observation training rooms were constructed and an additional 150-space parking lot was also completed. Most recently, a 14,250 sq. ft. interior expansion to the observation unit occurred to increase Emergency Dept. waiting room size; additional renovations are being done to the kitchen and dining rooms, which will allow the award-winning employer to continue to provide outstanding care to the community.

In 2020, **ClearSky Rehabilitation Hospital of Flower Mound** opened an inpatient rehabilitation hospital in the 56,345 square-foot building located at 3100 Peters Colony Rd. Their opening created approximately 100 new, local healthcare-related jobs. The hospital provides post-acute rehabilitative care to individuals with disabling illnesses or injuries. Furthermore, the hospital is made up of 29 private inpatient beds, a specially equipped gym, and a heated, aquatic swimming pool. Specialized patient programs include stroke, neurological, and orthopedic rehabilitation, in addition to long-term recovery following critical care and chronic illness management, such as Parkinson's disease and multiple sclerosis. In 2021, they earned The Joint Commission's Gold Seal of Approval for Accreditation, reflecting the hospital's commitment to safe, quality patient care. To earn the accreditation, the hospital underwent a rigorous, unannounced review by The Joint Commission, in addition to on-site observations and interviews.

Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and major infrastructure. The Town of Flower Mound invested $25 million in public improvements into the Lakeside Business District, including water and sewer extensions and new road construction. The District ended 2023 with an occupancy rate of approximately 92%, a rate consistent with quarters' past.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Prologis Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some major developments and new additions worth note, including:

The Eastgroup had significant activity on its **Lakeport Project, Phase I.** Lakeport has finished its fifth of five flex-space office/warehouse buildings, totaling almost 370,000 square feet on 30-acres within the Lakeside Business District and at the visible southern entrance into Flower Mound at 2499 and the Gerault flyover.

They are currently 90% leased as of December 2023.

Telecom industry firm **Communications Test Design Inc. (CTDI)** continues to be the Town's largest employer. The company provides engineering, repair and logistics for the communications industry.

CTDI has been a longtime corporate resident of Flower Mound, with many of their employees living in and around the Town. CTDI keeps choosing Flower Mound for the benefits of a well-maintained business park and central location. This allows the company to draw employees from a large area and easy access to DFW International Airport, as the company often brings in their various clients. The largest private employer in Flower Mound, CTDI has grown from 600 employees to over 1,300 through the years. The telecom industry firm grew by nearly 200 employees with the new location.

The **Lakeside International Office Center** development contains two office buildings on the site, a four story-120,000 sq. ft. building and two story-18,500 sq. ft. building. Both buildings are served by surface and structured parking. **IntelliCentrics,** an existing Flower Mound healthcare company that has the largest trusted healthcare technology platform, occupies the top floor of the larger building. The site contains a trail system that connects patrons to the nearby Shops at Lakeside. Additional corporate leases within the Lakeside International Office Center include CrowdFunding Real Estate, Medigent Health Services Healthcare, and The Qt Technology Company, CD Consultants Construction. They are currently 100% leased.

The **Lakeside Crossing** development came on-line in 2021, with tenants such as Outlaw FitCamp by Jesse James, Honeybird Sandwiches and Donuts, The UPS Store, Texas Health Family Care, and Smoothie King. In 2022 the Town granted approval of a fine-dining cocktail restaurant named Tycoon. Tycoon opened in the spring of 2023.

In addition to the south end of Town, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377 and FM 1171. The Denton Creek District emphasizes high quality, regional commercial and industrial development, as well as mixed office, retail, and residential uses. The main property in the district is the Furst Ranch which gained its Zoning approval from Council in 2022. This will allow an almost $6 billion dollar development to move forward on the 4 corners of 377 and 1171.

Progress also continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community within the Denton Creek District, located in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest part of the property near Interstate 35W. Plans are currently being drawn to extend Denton Creek Blvd to the northwest of Canyon Falls out to IH-35. This will be met by a new exit ramp off IH-35 and open another 230+ acres for commercial development giving Flower Mound its first Interstate accessible land.

Commercial Permit Activity

In 2023, 176 certificates of occupancy were issued. Notable commercial permits throughout the year included Michael's, Barnes and Noble, Pei Wei, and Uniden America (corporate relocation).

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in a variety of building types. Easily accessible from any part of the DFW

Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the major north/south development corridor in Town.

The River Walk will offer walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row will feature unique and varied dining options, all with a shared patio right on the waterfront. In 2014, highly-requested restaurants La Madeleine and Luna Grill were added to the nearby River Walk Market. Residential offerings in the development have continued completion over the past year and have experienced significant demand; pre-leasing quickly and receiving stellar reviews to the point that the residential acreage is almost complete.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron clock tower, pavilion, and more. The chapel and event center is open and operational as of January of 2021.

The Town's first hotel, a **Courtyard by Marriott**, has now been operational for over five years and has become a community staple. Located at the north end of the River Walk development, the five-story, 146 room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, **Home2Suites** purchased land within the River Walk development. The almost 70,000 sq. ft. hotel includes 100 rooms, a small dining area, exercise room, pool, small meeting area, and a small retail space from which a separate retailer may operate. They opened in the spring of 2023.

Lakeside DFW. Success of the $1 billion, 150-acre, mixed-use development continues, while construction of the development moves to Lakeside Village. This past year brought continued activity with the construction start of the residential tower of Lakeside Village which will be the beginning of a $1 billion addition to the development. On top of that the almost 30 retailers and restaurants now operating at **The Shops at Lakeside** (in Lakeside DFW) offer a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area.

The opening of **Lakeside Tower** and a full-service spa, SpaVela, in 2020 has since brought much activity to Lakeside DFW. The 16-story condominium tower includes 48 residences, four villas at ground level, and two bungalows that sit on the pool and amenity terrace. Each of the residence's ranges in size from 1,400 square feet to over 6,200 square feet. Private elevators provide residents with direct elevator access into their home. Building amenities include a wine room, yoga room, club room, private dining room, private cinema, a full-service spa, guest suites, gym, steam rooms, golf simulator, and a pool terrace. Residents of the Lakeside Tower also have access to 24-hour concierge, valet, and private parking garages enclosed within the main parking garage. The Tower is fully occupied.

The completion of Lakeside DFW will pave the way for developer, Realty Capital, to embark upon another endeavor, Lakeside Village. The developer broke ground on the project in 2020, commencing construction of the extensive infrastructure needed to support the project. **Lakeside Village** is located immediately south of the existing Lakeside DFW. The approximately 40-acre mixed use development on the north shore of Grapevine Lake will bring new residences of every kind, office, hotel, retail, and restaurant uses, as well as an amphitheater, community greens and trails. This environment will be unique to the Metroplex, attracting patrons from well beyond our borders. For example, the proposed six restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer a number of amenities to its residents and visitors, but with an estimated build out value of over $1 billion, the economic impact is far reaching. All of this was reliant on an economic development grant negotiated in 2022 between Realty Capital and the Town.

Retail Development

In 2023, the Town of Flower Mound welcomed 98 new businesses to the community, creating approximately 1,260 new jobs. With moderate population growth, an average household income of $189,356, and several residential developments under construction or planned for the future, Flower Mound is an ideal location for business. Almost 400 retailers and restaurants already call Flower Mound home.

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres located along FM 2499, one-half mile south of FM 1171 and north to FM 407. The estimated revenue of the zone over its 20-year life is conservatively $78,600,000, representing an anticipated $55,020,000 from the Town and $23,580,000 from Denton County. The TIRZ #1 2023 Annual Report identified an ending fund balance of $20,643,351.

Town Awards/Accolades

- No. 1 Best Place to Live in the Southwest by Livability **(Published on 9/13/2023)**
- No. 1 Best Place to Live in Texas by Rocket
- No. 4 Most Livable Small City in the US by Smart Asset
- No. 1 Safest Place in Texas by GoodHire
- No. 1 Best Place to Live in Denton County by Niche
- No. 4 Best Suburb to Buy a House in the DFW Area by Niche
- No. 10 Best Suburb to Raise a Family in Texas by Niche
- And many more at www.flower-mound.com/awards

Employee Compensation

The salary pay ranges in the Town's pay plans shall be reviewed annually with the objective to maintain all pay ranges at the 65th percentile of the market. In the FY 2022-2023 budget, the Town Council approved a two percent market increase for general government employees, a market increase for public safety employees in step pay plans that varies by position, and a three percent merit increase for all Town employees meeting performance standards.

Long-term Financial Planning

As part of the budgeting process, the Town develops a multi-year financial forecast. Over the past few years, the Town has seen steady residential and commercial growth which has allowed for balanced budgets that meet the needs of citizens, while maintaining a high level of reserves, as well. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for: park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate went into effect on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and to improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town require a balance of at least 20%. Between Fiscal Year 2018-2019 and Fiscal Year 2021-2022, the balance has ranged from a low of 33.09%, to a high of 47.15%. The General Fund reserve level at the 2022-2023 Fiscal Year-End was projected to be 37.59%.

Tax Rates

All taxable property within the Town is subject to the assessment, levy and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2021-2022 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2022-2023	2021-2022	2020-2021	2019-2020
Maintenance & Operation	$.3609	$.3506	$.3478	$.3540
Debt Service	.0441	.0544	.0887	.0825
Total Tax Rate	$.4050	$.4050	$.4365	$.4365

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound, and other taxing jurisdictions, provides a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2022-2023, the Town's payment for appraisal services was $327,718 to Denton Central Appraisal District, and $8,712 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2022 and ending September 30, 2023. The Town paid $32,815 for these services.

Independent Audit

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each and every department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound,

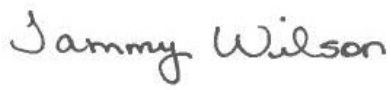
Texas for its annual comprehensive financial report for fiscal year ended September 30, 2022. The Town of Flower Mound, Texas has received a Certificate of Achievement for the last thirty-six consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

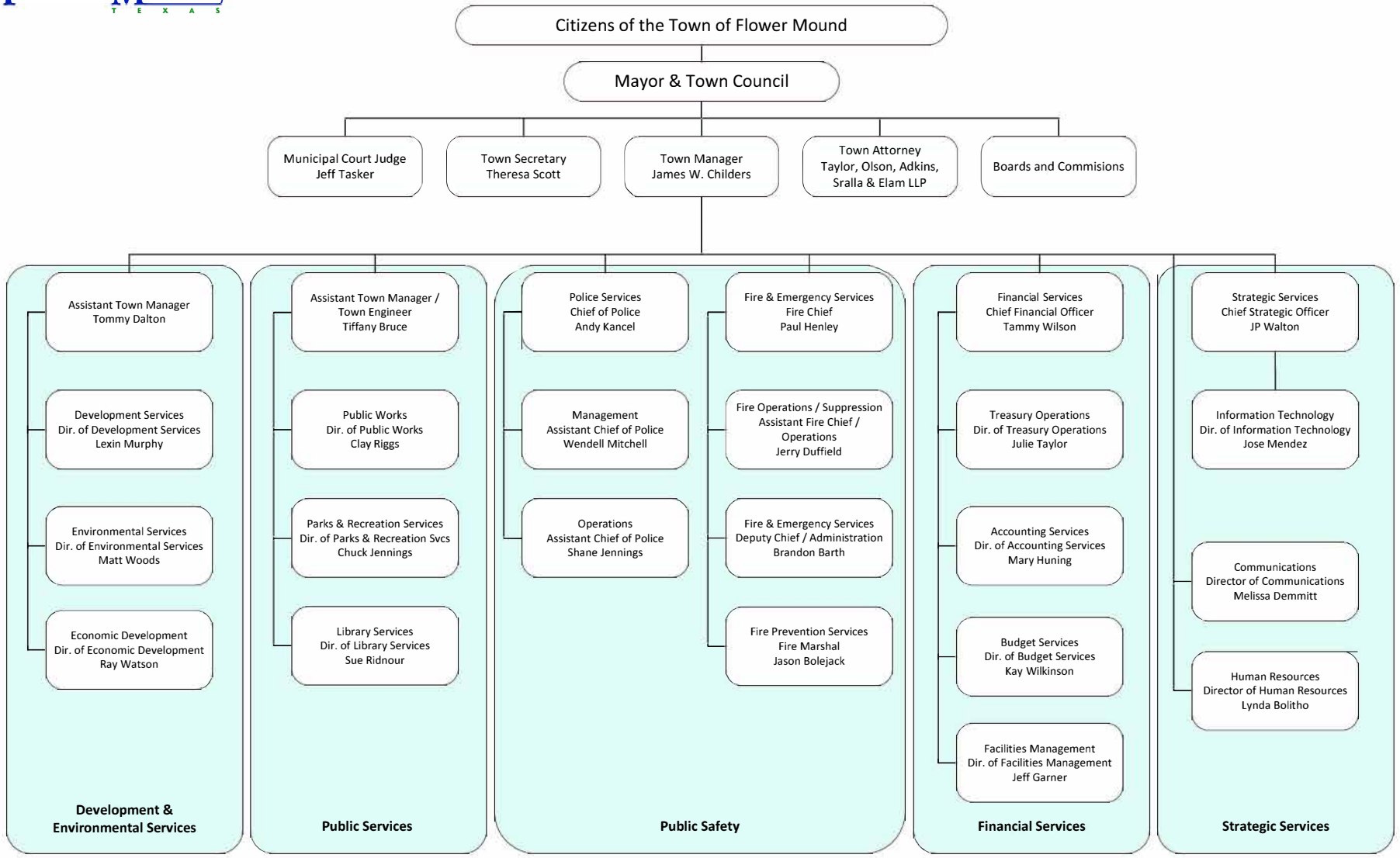
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control and progressive financial reporting.

Respectfully submitted,



Tammy Wilson
Chief Financial Officer

Town of Flower Mound Organizational Chart



Communications: Customer Relations
Parks and Recreation Services: Community Activity Center, Senior Center
Police Services: Animal Services, School Crossing, Criminal Investigations, Patrol, Communications Center, Support Services
Public Works: Engineering Services, CIP Engineering
Development Services: Planning Services, Building Inspections

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2023

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Derek France	Mayor	2024
Adam Schiestel	Council Member, Place 1	2025
Chris Drew	Council Member, Place 2	2026
Brian Taylor	Council Member, Place 3	2025
Jim Engel	Mayor Pro Tem Council Member, Place 4	2024
Ann Martin	Deputy Mayor Pro Tem Council Member, Place 5	2026

ADMINISTRATIVE STAFF	ADDRESS	POSITION
James Childers	2121 Cross Timbers Road	Town Manager
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Tiffany Bruce	2121 Cross Timbers Road	Assistant Town Manager/Town Engineer
Tammy Wilson	2121 Cross Timbers Road	Chief Financial Officer
Theresa Scott	2121 Cross Timbers Road	Town Secretary
Andy Kancel	2121 Cross Timbers Road	Chief of Police
Paul Henley	2121 Cross Timbers Road	Fire Chief

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

THE TOWN OF
FLOWER MOUND
TEXAS

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of Town Council
Town of Flower Mound, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 14 to the financial statements, the Town has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended September 30, 2023. As a result of implementing the standard, there was no effect on the governmental activities beginning net position as of October 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

What inspires you, inspires us. | eidebailly.com

400 Pine St., Ste. 600 | Abilene, TX 79601-5190 | T 325.672.4000 | TF 800.588.2525 | F 325.672.7049 | EOE

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information of the general fund, and pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
March 13, 2024

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2023

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Flower Mound exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $660,668,118. Of this amount, $83,419,228 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $44,016,666. The majority of this increase is attributable to development in both governmental funds and business-type activities.
- As of September 30, 2023, the Town of Flower Mound's governmental funds reported combined ending fund balances of $132,722,510, an increase of $19,458,056 in comparison with the prior year. 30.61% of this total amount, $40,627,948, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $40,627,948, or 49.19% of total general fund expenditures.
- The Town of Flower Mound's bonded debt decreased by $6,280,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,110,000, refunding of outstanding debt in the amount of $6,995,000 and the issuance of $7,370,000 in certificates of obligation and $6,455,000 in general obligation refunding bonds.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the public improvement district debt service custodial fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $660,668,118 as of September 30, 2023. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $212,668,410. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 164,304,836	$ 143,487,182	$ 98,386,970	$ 82,415,477	$ 262,691,806	$ 225,902,659
Capital assets	371,116,934	364,767,509	227,032,167	227,650,235	598,149,101	592,417,744
Total assets	535,421,770	508,254,691	325,419,137	310,065,712	860,840,907	818,320,403
Deferred outflows of resources	16,281,628	6,180,438	2,069,855	1,059,271	18,351,483	7,239,709
Long-term liabilities outstanding	90,521,753	75,751,948	109,449,828	105,418,444	199,971,581	181,170,392
Other liabilities	12,748,938	11,638,853	5,370,754	4,819,931	18,119,692	16,458,784
Total liabilities	103,270,691	87,390,801	114,820,582	110,238,375	218,091,273	197,629,176
Deferred Inflows of resources	432,999	9,973,868	-	1,305,620	432,999	11,279,488
Net investment in capital assets	321,761,029	308,572,131	155,694,087	152,840,348	477,455,116	461,412,479
Restricted	69,602,155	58,614,169	30,191,619	28,893,868	99,793,774	87,508,037
Unrestricted	56,636,524	49,884,164	26,782,704	17,846,772	83,419,228	67,730,936
Total net position	$ 447,999,708	$ 417,070,464	$ 212,668,410	$ 199,580,988	$ 660,668,118	$ 616,651,452

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2023. Governmental activities increased the Town's net position by $30,929,244, accounting for 70.27% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $13,087,422, accounting for 29.73% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 13,295,744	$ 12,107,013	$ 59,995,515	$ 56,273,795	$ 73,291,259	$ 68,380,808
Operating grants and contributions	1,239,871	3,601,013	-	-	1,239,871	3,601,013
Capital grants and contributions	10,647,484	8,643,597	4,114,012	7,728,163	14,761,496	16,371,760
General revenues:						
Property taxes	60,960,971	55,478,487	-	-	60,960,971	55,478,487
Sales taxes	37,369,199	34,929,500	-	-	37,369,199	34,929,500
Occupancy taxes	573,356	419,080	-	-	573,356	419,080
Other taxes	7,706,605	7,376,337	-	-	7,706,605	7,376,337
Unrestricted investment earnings	6,373,438	940,523	2,973,332	469,387	9,346,770	1,409,910
Miscellaneous	841,192	600,368	264,877	388,365	1,106,069	988,733
Total revenues	139,007,860	124,095,918	67,347,736	64,859,710	206,355,596	188,955,628
Expenses:						
Town manager's office	3,388,706	3,680,978	-	-	3,388,706	3,680,978
Legislative services	667,367	513,592	-	-	667,367	513,592
Development services	2,511,730	2,192,825	-	-	2,511,730	2,192,825
Parks and recreation services	16,575,189	18,144,574	-	-	16,575,189	18,144,574
Library services	2,322,283	2,049,541	-	-	2,322,283	2,049,541
Police services	24,667,709	21,880,685	-	-	24,667,709	21,880,685
Financial services	5,098,691	4,728,707	-	-	5,098,691	4,728,707
Administrative services	7,655,684	7,055,671	-	-	7,655,684	7,055,671
Fire and emergency services	28,810,186	23,173,628	-	-	28,810,186	23,173,628
Communications	1,022,276	753,285	-	-	1,022,276	753,285
Public works	15,174,383	10,213,207	-	-	15,174,383	10,213,207
Environmental services	1,511,256	1,543,131	-	-	1,511,256	1,543,131
Interest on long-term debt	1,489,993	1,741,793	-	-	1,489,993	1,741,793
Utilities	-	-	51,443,477	51,170,127	51,443,477	51,170,127
Total expenses	110,895,453	97,671,617	51,443,477	51,170,127	162,338,930	148,841,744
Increase (decrease) in net position before transfers	28,112,407	26,424,301	15,904,259	13,689,583	44,016,666	40,113,884
Transfers	2,816,837	2,802,185	(2,816,837)	(2,802,185)	-	-
Increase (decrease) in net position	30,929,244	29,226,486	13,087,422	10,887,398	44,016,666	40,113,884
Net position - 10/01	417,070,464	387,843,978	199,580,988	188,693,590	616,651,452	576,537,568
Net position - 09/30	$ 447,999,708	$ 417,070,464	$ 212,668,410	$ 199,580,988	$ 660,668,118	$ 616,651,452

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $132,722,510, an increase of $19,458,056 in comparison with the prior year. Approximately $40,627,948 or 30.61% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $17,043,168 or 12.85%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $73,745,513 or 55.56% is restricted to indicate that it is not available for new spending. The Town also has prepaid items of $81,893 or 0.06% and inventory of $1,223,988 or 0.92% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $40,627,948, while total fund balance was $41,933,829. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 49.19% of total general fund expenditures, while total fund balance represents 50.77% of that same amount.

The fund balance of the Town's general fund increased by $6,950,657 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $4,880,935.
- Sales tax revenue increase from the previous year of $1,246,203.
- Expenditures increased due to several one-time transfers for capital projects.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue is higher than the previous year due to continued recovery from the impact of the pandemic for restaurants and retail establishments.

The debt service fund has a total fund balance of $790,363, a decrease of $626,600. This decrease is due to tax rate calculations and how the debt portion of the TIRZ is handled in the calculation.

The fund balance of the Town's capital projects fund increased by $3,217,268 during the current fiscal year due to capital project activity, including interlocal agreements activity and increased investment earnings.

Other governmental funds have a total fund balance of $63,651,819, an increase of $9,916,731. The TIRZ Fund, Street Maintenance Fund, and the Parks 4B Fund increased due to less capital project activity and increased tax collections. The Crime District Fund and Fire District Fund increased due to increased tax collections.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $212,221,854 at the end of the fiscal year 2023, an increase of $12,921,904 or 6.48%. Included in net position is $155,694,087 net investment in capital assets and $30,191,619 restricted for capital projects. The remaining net position balance of $26,336,148 consists of unrestricted net position. In the current fiscal year, total operating revenues are $60,260,392 while operating expenses are $48,072,004. Revenue increased over the prior year due to increased rates. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2022-2023, the Town Council of the Town of Flower Mound amended the budget for the General Fund seven times. The original expenditure budget was amended to increase the budget by $7,337,093.

General Fund budget increased $1,850,000 to purchase land for a permanent Fire Station 6. A comprehensive compensation and classification study was performed and the budget increased $394,063 to implement the recommended changes to employee compensation. General Fund budget increased $450,000 for asbestos abatement and demolition of a Town owned building.

The Facilities budget was increased by $413,000 to account for projects that were budgeted but not completed in the last fiscal year. Due to time constraints and supply chain issues, eight projects that were budgeted in FY 21-22 were unable to be completed during the fiscal year: Fire Station #6 generator installation for $60,000, Animal Adoption Center guillotine doors on kennels and kennel tips for $20,000, Fire Station #1 crew area, watch office, kitchen, and battalion and captain offices for $150,000, Fire Station #2 crew showers for $25,000, Fire Station #4 electrical shorelines and reels for $8,000, Animal Adoption Center walk-in freezer for $50,000, Animal Adoption Center HVAC upgrade for $50,000, and Fleet Services wash bay for $50,000. Facilities budget also increased by $25,000 for an emergency project fixing the main concrete walkway of the Library.

Fire and Emergency Services Department budget increased $2,420,337. The Fire Department budget increased $738,000 due to working with the Texas Division of Emergency Management supporting Operation Lonestar in Del Rio, Texas. The budget was increased $921,665 for the replacement of self-contained breathing apparatuses (SCBA) and $760,672 to replace emergency portable radio equipment. The Police Department budget increased $1,119,333 to replace emergency portable radio equipment.

Town Manager's Office budget increased by $34,700 to add two positions for Strategic Services. The Parks and Recreation budget was increased by $7,467 for Community Activity Center equipment and $1,320 for Senior Center chairs. Public Works Department budget increased $66,081 to account for maintaining traffic signals outside the Town's boundaries. Town Secretary Office budget increased $50,740 and the Financial Services Department budget increased $25,000 due to increased costs of elections. The remaining $480,052 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2022.

The revenue budget was increased with amendments by $2,305,401. Intergovernmental revenue increased by $2,238,000 due to the state reimbursement for the Fire Department working with the Texas Division of Emergency Management supporting Operation Lonestar in Del Rio, Texas. The state reimbursed the Town for employee salary, overtime, and backfill expenses and expenditures such as lodging and food for the employees on deployment. The revenue budget was also increased by $66,081 to account for maintaining traffic signals outside the Town's boundaries. The Senior Center received a donation of $1,320 to purchase chairs.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

The original budget reflected the Town would increase fund balance by $189,489. The fund balance for the general fund increased in the amount of $6,950,657 during the fiscal year.

For fiscal year 2022-2023, actual expenditures on a budgetary basis were $85,407,913 compared to the original budget of $81,150,955. This was a negative $4,256,958 variance. Actual revenue on a budgetary basis was $88,407,308 compared to the original budget of $80,377,392. This was a positive variance of $8,029,916. This is primarily due to an increase in taxes and investment earnings.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounted to $598,149,101 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
Stonecrest Pump Station Ph I	$ 1,623,720
Lopo Road Reconstruction	1,447,541
Oak Street Ph IV Lift Station & Force Main	1,058,753
Bakersfield Park Imp Ph I	1,053,193
Adaptive Traffic Signal Update	765,180
2022-23 Playground Replacements	622,649
Park Services (formerly Operations)	545,950
Waketon Road	533,874
Wood Creek Circle Reconstruction	513,726
Timber Creek Rd @ College Prkwy Intersection Recon	453,018
Spring Meadow Lane Sewer Line Replacement	420,602
Timber Creek Water Line Replacement Ph 2	388,952
Colonial Drive Reconstruction Ph II (Whitney to Homestead	366,607
Canyon Falls Park	270,597
Upper Timber Interceptor (Morriss to One Place)	253,917
Melody Court Reconstruction	251,031
2021-22 Playground Replacements	246,899
Hillside Water Line Connection	211,528
Infiltration/Inflow Eval & Repair	204,200
Lakeside Parkway Capacity Imp	187,480
FM2499 @ FM407 Intersection Improvements	184,920
Garden Ridge through Lane @ FM 3040	180,685
Glen Chester Lift Station Rehab	170,200
Traffic Detection Rehabilitation	164,809
Timber Creek Road Panel Replacement	154,271
Hillside Lane Reconstruction	144,328
Edgefield Trail Reconstruction (Wood Creek to Timber Valley Dr	132,669
Heritage Park Improvements	127,131
Morriss Road Water Lines Phase IV	121,970
Melody Court Water/Sewer Line	120,000
Street Light Improvements	108,030
Roadway Amenities	102,220
	$ 13,130,650

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	$ 37,585,797	$ 35,782,959	$ 4,419,755	$ 4,419,755	$ 42,005,552	$ 40,202,714
Construction in progress	49,216,623	43,242,394	9,726,155	24,099,750	58,942,778	67,342,144
Buildings	81,911,668	85,100,630	28,600,552	29,779,901	110,512,220	114,880,531
Distribution system	-	-	182,527,194	168,162,036	182,527,194	168,162,036
Equipment	13,475,523	12,577,872	1,715,179	1,188,793	15,190,702	13,766,665
Improvements	26,577,575	28,875,446	-	-	26,577,575	28,875,446
Streets and bridges	161,847,374	159,188,208	-	-	161,847,374	159,188,208
Subscription right-of-use assets	502,374	733,603	43,332	-	545,706	733,603
Totals	$ 371,116,934	$ 365,501,112	$ 227,032,167	$ 227,650,235	$ 598,149,101	$ 593,151,347

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $143,070,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 11,845,000	$ 13,405,000	$ 12,390,000	$ 9,280,000	$ 24,235,000	$ 22,685,000
Certificates of obligation	35,735,000	41,500,000	83,100,000	85,165,000	118,835,000	126,665,000
Totals	$ 47,580,000	$ 54,905,000	$ 95,490,000	$ 94,445,000	$ 143,070,000	$ 149,350,000

The Town of Flower Mound's bonded debt decreased by $6,280,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,110,000, refunding of outstanding debt in the amount of $6,995,000 and the issuance of $7,370,000 in certificates of obligation and $6,455,000 in general obligation refunding bonds.

- On June 21, 2023, the Town issued $7,370,000 in Certificates of Obligation Series, 2023, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

- The Town Council authorized an ordinance on June 21, 2023, to issue $6,455,000 in General Obligation Refunding Bonds Series, 2023, to refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2013, for $6,995,000 for years maturing 2024 through 2033.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the

payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .36%.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2023-2024 budget lowered the property tax rate from $.4050 to $.3873 per $100 valuation. Homestead exemption was increased from 10% to 12.5%.

The Town increased the base operating budget for fiscal year 2023-2024 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages included a variety of one-time replacement and maintenance costs. Decision packages include equipment, 12.00 additional FTE positions, as well as, various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 43.75% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 80,733,859	$ 12,715,106	$ 93,448,965
Investments	70,430,270	10,704,750	81,135,020
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	376,109	-	376,109
Other taxes	6,510,093	-	6,510,093
Unbilled services	-	2,907,839	2,907,839
Accounts	1,962,598	6,279,583	8,242,181
Accrued interest	410,322	-	410,322
Intergovernmental	112,283	-	112,283
Leases	403,952	-	403,952
Internal balances	(446,556)	446,556	-
Franchise fees	2,506,025	-	2,506,025
Prepaids	81,893	375	82,268
Inventory	1,223,988	722,310	1,946,298
Restricted:			
Cash and cash equivalents	-	50,469,343	50,469,343
Investments	-	14,141,108	14,141,108
Capital assets			
Land	37,585,797	4,419,755	42,005,552
Buildings	113,185,773	53,765,322	166,951,095
Distribution system	-	290,501,845	290,501,845
Equipment	31,479,851	4,581,248	36,061,099
Construction in progress	49,216,623	9,726,155	58,942,778
Improvements	48,317,130	-	48,317,130
Streets and bridges	467,060,931	-	467,060,931
Subscription right-of-use assets	913,331	73,238	986,569
Accumulated depreciation and amortization	(376,642,502)	(136,035,396)	(512,677,898)
Total Assets	535,421,770	325,419,137	860,840,907
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	290,028	93,199	383,227
Deferred outflows related to pensions	14,718,644	1,711,918	16,430,562
Deferred outflows related to OPEB	1,272,956	264,738	1,537,694
Total deferred outflow of resources	16,281,628	2,069,855	18,351,483
LIABILITIES			
Accounts payable	6,165,994	4,245,685	10,411,679
Estimated health claims	1,427,837	-	1,427,837
Salaries payable	817,305	49,157	866,462
Accrued interest payable	10,430	915	11,345
Retainage payable	828,251	196,231	1,024,482
Arbitrage payable	49,272	-	49,272
Unearned revenue	3,275,897	-	3,275,897
Meter deposits	-	525,036	525,036
Payables from restricted assets:			
Accrued bond interest	-	353,730	353,730
Accrued bond interest	173,952	-	173,952
Long-term liabilities:			
Due within one year	9,698,528	7,252,333	16,950,861
Due within more than one year	80,823,225	102,197,495	183,020,720
Total Liabilities	103,270,691	114,820,582	218,091,273
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to leases	432,999	-	432,999
Total deferred inflow of resources	432,999	-	432,999
NET POSITION			
Net investment in capital assets	321,761,029	155,694,087	477,455,116
Restricted for:			
Community services	1,250,767	-	1,250,767
Community development	20,636,815	-	20,636,815
Public safety-police	5,004,785	-	5,004,785
Public safety-fire	2,666,440	-	2,666,440
Streets	29,695,234	-	29,695,234
Parks	9,638,117	-	9,638,117
Debt service	709,997	-	709,997
Capital projects	-	30,191,619	30,191,619
Unrestricted	56,636,524	26,782,704	83,419,228
Total Net Position	$ 447,999,708	$ 212,668,410	$ 660,668,118

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 3,388,706	$ -	$ -
Legislative services	667,367	17,579	-
Development services	2,511,730	2,032,237	-
Parks & recreation services	16,575,189	3,575,370	69,492
Library services	2,322,283	64,655	-
Police services	24,667,709	1,403,800	219,730
Financial services	5,098,691	1,198,573	-
Administrative services	7,655,684	-	-
Fire and emergency services	28,810,186	4,347,327	758,699
Communications	1,022,276	-	-
Public works	15,174,383	372,671	-
Environmental services	1,511,256	283,532	191,950
Interest on long-term debt	1,489,993	-	-
Total governmental activities	110,895,453	13,295,744	1,239,871
Business-type activities:			
Utilities-Stormwater	1,302,433	1,745,072	-
Utilities- Water and Wastewater	50,141,044	58,250,443	-
Total business-type activities	51,443,477	59,995,515	-
Total primary government	$ 162,338,930	$ 73,291,259	$ 1,239,871

General Revenues:	
Property taxes	
Sales taxes	
Occupancy taxes	
Franchise taxes	
Alcoholic beverage taxes	
Unrestricted investment earnings	
Miscellaneous	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position - beginning	
Net position - ending	

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (3,388,706)	$ -	$ (3,388,706)
-	(649,788)	-	(649,788)
-	(479,493)	-	(479,493)
37,212	(12,893,115)	-	(12,893,115)
-	(2,257,628)	-	(2,257,628)
-	(23,044,179)	-	(23,044,179)
-	(3,900,118)	-	(3,900,118)
-	(7,655,684)	-	(7,655,684)
-	(23,704,160)	-	(23,704,160)
-	(1,022,276)	-	(1,022,276)
10,610,272	(4,191,440)	-	(4,191,440)
-	(1,035,774)	-	(1,035,774)
-	(1,489,993)	-	(1,489,993)
10,647,484	(85,712,354)	-	(85,712,354)
-	-	442,639	442,639
4,114,012	-	12,223,411	12,223,411
4,114,012	-	12,666,050	12,666,050
$ 14,761,496	$ (85,712,354)	$ 12,666,050	$ (73,046,304)
	60,960,971	-	60,960,971
	37,369,199	-	37,369,199
	573,356	-	573,356
	7,348,496	-	7,348,496
	358,109	-	358,109
	6,373,438	2,973,332	9,346,770
	841,192	264,877	1,106,069
	2,816,837	(2,816,837)	-
	116,641,598	421,372	117,062,970
	30,929,244	13,087,422	44,016,666
	417,070,464	199,580,988	616,651,452
	$ 447,999,708	$ 212,668,410	$ 660,668,118

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2023

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 17,707,593	$ 414,631	$ 20,919,503	$ 32,358,268	$ 71,399,995
Investments	22,115,910	388,054	5,815,502	33,282,732	61,602,198
Receivables (net of allowances for estimated uncollectibles):					
Ad valorem taxes	294,845	81,264	-	-	376,109
Other taxes	3,268,809	-	-	3,241,284	6,510,093
Accounts	1,955,159	-	-	7,439	1,962,598
Accrued interest	340,044	-	70,278	-	410,322
Intergovernmental	-	-	28,681	83,602	112,283
Leases	403,952	-	-	-	403,952
Interfund	-	-	-	9,807	9,807
Franchise fees	2,476,672	-	-	29,353	2,506,025
Inventory	1,223,988	-	-	-	1,223,988
Prepaid items	81,893	-	-	-	81,893
Total Assets	$ 49,868,865	$ 883,949	$ 26,833,964	$ 69,012,485	$ 146,599,263
LIABILITIES					
Accounts payable	$ 4,428,259	$ -	$ 153,332	$ 1,433,177	$ 6,014,768
Accrued interest	-	2,734	-	-	2,734
Retainage payable	-	-	284,861	543,390	828,251
Arbitrage payable	-	-	49,272	-	49,272
Salaries payable	718,910	-	-	98,395	817,305
Interfund	-	-	-	9,807	9,807
Unearned revenue	-	-	-	3,275,897	3,275,897
Total Liabilities	5,147,169	2,734	487,465	5,360,666	10,998,034
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	2,354,868	90,852	-	-	2,445,720
Deferred inflows related to leases	432,999	-	-	-	432,999
Total deferred inflows of resources	2,787,867	90,852	-	-	2,878,719
FUND BALANCES					
Nonspendable for:					
Prepaids	81,893	-	-	-	81,893
Inventory	1,223,988	-	-	-	1,223,988
Restricted for:					
Community services	-	-	-	1,250,767	1,250,767
Community development	-	-	-	20,636,815	20,636,815
Public safety-police	-	-	-	5,004,785	5,004,785
Public safety-fire	-	-	-	2,666,440	2,666,440
Streets	-	-	16,858,883	15,716,466	32,575,349
Parks	-	-	502,941	9,638,117	10,141,058
Facilities	-	-	679,936	-	679,936
Debt service	-	790,363	-	-	790,363
Committed for:					
Community services	-	-	-	2,391,591	2,391,591
Public safety-police	-	-	-	263,745	263,745
Parks	-	-	-	6,083,093	6,083,093
Capital projects	-	-	8,304,739	-	8,304,739
Unassigned	40,627,948	-	-	-	40,627,948
Total Fund Balance	41,933,829	790,363	26,346,499	63,651,819	132,722,510
Total liabilities, deferred inflows of resources and fund balances	$ 49,868,865	$ 883,949	$ 26,833,964	$ 69,012,485	$ 146,599,263

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2023

Total fund balances - governmental funds	$	132,722,510
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation and amortization.		371,116,934
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.		
Taxes		459,693
Franchise fees		1,097,238
Ambulance fees		292,067
Municipal court fees		130,252
Community activity center services		466,470
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($446,556).		16,136,317
Deferred outflows (inflows) of resources are not reported in the governmental funds:		
Deferred charges on refundings		290,028
Pension contributions after measurement date		3,682,119
Pension difference in actual experience and actuarial assumptions		538,191
Pension investment income		10,454,792
Pension assumption losses		43,542
OPEB contributions after measurement date		66,752
OPEB difference in actual experience and actuarial assumptions		532,791
OPEB investment losses		673,413
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.		
Accrued interest on the bonds		(171,218)
Accrued interest on subscription right-of use		(10,430)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable		(11,845,000)
Certificates of obligation payable		(35,735,000)
Bond premium/discounts		(4,798,300)
Net pension payable		(26,921,233)
Compensated absences		(5,710,749)
OPEB payable		(5,103,745)
Subscription right-of-use		(407,726)
Net position of governmental activities	$	447,999,708

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	$ 46,878,990	$ 5,737,284	$ -	$ 8,467,146	$ 61,083,420
Sales	18,752,087	-	-	18,617,112	37,369,199
Franchise	6,841,019	-	-	126,864	6,967,883
Alcoholic beverage	358,109	-	-	-	358,109
Hotel occupancy	-	-	-	573,356	573,356
Licenses, permits and fees	2,401,404	-	-	465,673	2,867,077
Intergovernmental	4,146,350	-	2,060,653	1,204,454	7,411,457
Impact fees	-	-	713,360	-	713,360
Charges for services	4,950,966	-	-	88,032	5,038,998
Fines and forfeits	1,169,923	-	-	278,421	1,448,344
Investment earnings	2,079,698	102,839	1,031,210	2,471,463	5,685,210
Memorials and contributions	-	-	-	78,697	78,697
Other revenue	828,762	-	-	48,430	877,192
Total Revenues	88,407,308	5,840,123	3,805,223	32,419,648	130,472,302
EXPENDITURES					
Current					
Town manager's office	3,261,563	-	-	-	3,261,563
Legislative services	628,400	-	-	-	628,400
Development services	2,390,820	-	-	-	2,390,820
Parks & recreation services	10,826,328	-	-	3,247,006	14,073,334
Library services	2,133,400	-	-	50,220	2,183,620
Police services	19,284,211	-	-	3,796,332	23,080,543
Financial services	4,052,862	-	-	83,187	4,136,049
Administrative services	7,761,807	-	-	-	7,761,807
Fire and emergency services	23,866,877	-	-	4,812,478	28,679,355
Communications	830,070	-	-	104,505	934,575
Public works	6,104,002	-	-	7,785,049	13,889,051
Environmental services	1,459,091	-	-	-	1,459,091
Debt service	-	6,734,101	-	2,640,200	9,374,301
Capital projects	-	-	2,150,455	-	2,150,455
Total Expenditures	82,599,431	6,734,101	2,150,455	22,518,977	114,002,964
Excess (deficiency) of revenues over (under) expenditures	5,807,877	(893,978)	1,654,768	9,900,671	16,469,338
OTHER FINANCING SOURCES (USES)					
Issuance of general debt obligation	-	-	-	-	-
Refunded bonds issued	-	1,640,000	-	-	1,640,000
Premium on bonds	-	162,930	-	-	162,930
Payment to escrow	-	(1,806,502)	-	-	(1,806,502)
Subscription financing	179,728	-	-	-	179,728
Transfers in	3,091,837	270,950	1,562,500	562,010	5,487,297
Transfers out	(2,128,785)	-	-	(545,950)	(2,674,735)
Total Other Financing Sources and Uses	1,142,780	267,378	1,562,500	16,060	2,988,718
Net change in fund balances	6,950,657	(626,600)	3,217,268	9,916,731	19,458,056
Fund balances - beginning	34,983,172	1,416,963	23,129,231	53,735,088	113,264,454
Fund balances - ending	$ 41,933,829	$ 790,363	$ 26,346,499	$ 63,651,819	$ 132,722,510

The notes to the financial statements are an integral part of this statement

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2023**

Net change in fund balances - total governmental funds	$	19,458,056
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation and amortization expense and gains and losses are recognized as they occur. (Additions of $17,598,129 and loss on disposals and transfers of $12,380.)		17,585,749
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		7,427,716
Depreciation and amortization expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation and amortization expense is not reported as expenditures in the governmental funds.		(19,166,414)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $1,640,000 less repayments of $8,965,000, plus amortization of deferred loss of $160,449, less discount of $706,008) is the net effect of these differences in the treatment of long-term debt and related items.		7,870,559
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(227,095)
Current year changes in the long term liability and related outflows (inflows) for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(2,232,147)
Current year changes in the long term liability and related outflows (inflows) for OPEB payables do not require the use of current financials resources; therefore, are not reported as expenditures in governmental funds.		(468,749)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		17,321
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		503,832
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities ($165,518).		160,416
Change in net position of governmental activities	$	30,929,244

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,715,106	$ 9,333,864
Investments	10,704,750	8,828,072
Receivables (net of allowances for estimated uncollectibles):		
Accounts	6,279,583	-
Unbilled services	2,907,839	-
Prepaids	375	-
Inventories, at cost	722,310	-
Restricted:		
Cash and cash equivalents	50,469,343	-
Investments	14,141,108	-
Total current assets	97,940,414	18,161,936
Capital assets:		
Land	4,419,755	-
Buildings	53,765,322	-
Distribution system	290,501,845	-
Equipment	4,581,248	-
Construction in progress	9,726,155	-
Subscription right-of-use assets	73,238	-
Accumulated depreciation and amortization	(136,035,396)	-
Total capital assets(net of accumulated depreciation and amortization)	227,032,167	-
Total noncurrent assets	227,032,167	-
Total Assets	324,972,581	18,161,936
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on refundings	93,199	-
Deferred outflows related to pensions	1,711,918	-
Deferred outflows related to OPEB	264,738	-
Total deferred outflow of resources	2,069,855	-
LIABILITIES		
Current liabilities:		
Accounts payable	4,245,685	151,226
Estimated health claims	-	1,427,837
Meter deposits	525,036	-
Salaries payable	49,157	-
Accrued interest payable	915	-
Accrued bond interest	353,730	-
Subscription liability	36,059	-
Retainage payable	196,231	-
Total current liabilities	5,406,813	1,579,063
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	156,503	-
Current portion of contractual obligations	4,612,025	-
Current portion of general obligations	2,447,746	-
Total current liabilities payable from restricted assets	7,216,274	-
Total current liabilities	12,623,087	1,579,063
Noncurrent liabilities		
Accrued leave benefits	371,744	-
Net pension liability	3,388,096	-
OPEB payable	919,642	-
Contractual obligations	86,058,605	-
General obligation bonds	11,459,408	-
Total noncurrent liabilities	102,197,495	-
Total Liabilities	114,820,582	1,579,063
NET POSITION		
Net investment in capital assets	155,694,087	-
Restricted for capital projects	30,191,619	-
Unrestricted	26,336,148	16,582,873
Total Net Position	$ 212,221,854	$ 16,582,873

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2023

Total net position- enterprise fund	$ 212,221,854
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net position of certain internal service funds is reported with business-type activities.	446,556
Total net position- business-type activities	$ 212,668,410

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	$ 59,547,581	$ 16,146,258
Penalties, fines and forfeits	447,934	-
Other	264,877	1,165,576
Total operating revenue	60,260,392	17,311,834
Operating expenses:		
Administration	6,695,868	-
Maintenance and operations	31,818,553	2,119,222
Depreciation and amortization	9,557,583	-
Health insurance and flexible benefits	-	15,569,611
Total operating expenses	48,072,004	17,688,833
Operating income	12,188,388	(376,999)
Nonoperating revenues (expenses):		
Interest income	2,973,332	698,658
Interest expense	(3,536,991)	-
Total nonoperating revenue (expenses)	(563,659)	698,658
Income before contributions and transfers	11,624,729	321,659
Contributions-developers	2,650,507	-
Contributions-impact fees	1,074,898	-
Contributions-other funds	388,607	-
Transfers in	-	4,275
Transfers out	(2,816,837)	-
Change in net position	12,921,904	325,934
Total net position - beginning	199,299,950	16,256,939
Total net position - ending	$ 212,221,854	$ 16,582,873

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2023

Net change in fund net position- enterprise funds	$ 12,921,904
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue of certain internal service funds is reported with governmental activites. The amount shown represents the net revenue allocated to business-type activities.	165,518
Change in net position of business-type activities	$ 13,087,422

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 57,506,462	$ -
Cash received from transactions with other funds	-	17,311,834
Cash paid to employees for services	(8,530,692)	-
Cash paid for goods and services	(29,008,734)	(10,565,824)
Cash paid for claims	-	(6,853,618)
Net cash provided (used) by operating activities	19,967,036	(107,608)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	4,275
Transfers to other funds	(2,816,837)	-
Net cash provided (used) by noncapital financing activities	(2,816,837)	4,275
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(5,925,000)	-
Interest and fiscal charges	(4,106,159)	-
Proceeds from issuance of debt	7,871,399	-
Proceeds from impact fees	1,074,898	-
Bond issuance costs paid	(127,947)	-
Purchase of capital assets	(5,827,163)	-
Net cash provided (used) by capital and related financing activities	(7,039,972)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	16,777,861	3,947,186
Purchase of investment securities	(19,764,790)	(2,606,000)
Interest received	2,973,332	698,658
Net cash provided (used) by investing activities	(13,597)	2,039,844
Net increase (decrease) in cash and cash equivalents	10,096,630	1,936,511
Cash and cash equivalents, October 1	53,087,819	7,397,353
Cash and cash equivalents, September 30	$ 63,184,449	$ 9,333,864
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 12,188,388	$ (376,999)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	9,557,583	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	(2,269,370)	-
Decrease (Increase) in prepaids	170	-
Decrease (Increase) in unbilled receivables	(230,075)	-
Decrease (Increase) in inventory	(223,141)	-
Increase (Decrease) in deposits payable	(31,514)	-
Increase (Decrease) in pension liability	272,634	-
Increase (Decrease) in OPEB payable	83,435	-
Increase (Decrease) in accounts payable and accrued liabilities	618,926	269,391
Total adjustments	7,778,648	269,391
Net cash provided (used) by operating activities	$ 19,967,036	$ (107,608)
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 2,650,507	$ -
Transfer of capital assets from other funds	388,607	-

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2023

	Custodial Fund
	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ 2,187,742
Total Assets	2,187,742
LIABILITIES	
Due to debt holders	-
Total Liabilities	-
NET POSITION	
Restricted for CADG Riverwalk LLC	2,187,742
Total Net Position	$ 2,187,742

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2023

	Custodial Fund
	River Walk Public Improvement District Number 1
ADDITIONS	
Interest income	$ 96,743
Total Additions	96,743
DEDUCTIONS	
Disbursements to debt holders	-
Total Deductions	-
Change in net position	96,743
Net position - beginning	2,090,999
Net position - ending	$ 2,187,742

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the services that the Community Development Corporation provides exclusive benefits to the Town and the Community Development Corporation operations are so intertwined with those of the Town, the Community Development Corporation is in substance a department of the Town and has been blended into the Town's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately

from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.
- *Tax Increment Reinvestment Zone (TIRZ) Fund* – accounts for financial resources and expenditures relating to the reinvestment zone.
- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.
- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.
- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.
- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.
- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.
- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.
- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.
- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.
- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Justice Seizures Fund* – accounts for funds received from the DEA, the DOJ, the US Federal Marshal's office, etc.

- *Chapter 59 Seizures Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *SAFER Grant Fund* – accounts for revenues derived from grant funding for thirty additional firefighters. The funds are expended for grant related purposes.

- *Opioid Settlements Fund* – accounts for revenues derived from the State of Texas from opioid settlement funds.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *COVID-19 Fund* – accounts for revenues received from various granting agencies. The funds are expended for COVID-19 purposes.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

- *Municipal Court Jury Fund* – accounts for municipal court fees assessed to finance jury services.

- *Municipal Court Truancy Prevention Fund* – accounts for municipal court fees assessed to finance expenditures related to juvenile case manager.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance and Flexible Benefit Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements. The accounting of fiduciary funds is similar to that of proprietary funds.

- *River Walk Public Improvement District Number 1* – accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town, as custodian for the Public Improvement District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2023, the Town had a tax margin of $2.095 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying information technology asset.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about

the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the total OPEB liability (TOL), and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification include amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities. At year-end, the carrying amount of the Town's deposits was $83,088 and the bank balance was $1,875,312. Collateral is required for all of the Town's deposits and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan

Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $145,961,089 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2023, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

The Town has investments in government pools at September 30, 2023 totaling $145,961,089, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2023, the Town has investments of $95,260,901 (Level 2 inputs) valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

At September 30, 2023, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 145,961,089	26
Treasuries	29,429,395	317
Federal Agencies	65,913,157	206
Total Primary Government	$ 241,303,641	97

The amounts for the Investment Pools (Texpool, TexasCLASS and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Bank (FHLB) security, which is rated AA+ by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool and TexStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2023, 5% or more of the Town's total investments are in the following: TexPool (19.44%), TexStar (19.25%), TexasCLASS (20.75%), Federal Agencies (27.39%) and Treasury Securities (12.41%), on a fair value basis.

Oversight for TexPool, TexSTAR, and TexasCLASS Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Hermes, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by JP Morgan Investment Management, Inc. and Hilltop Securities and is rated AAAm by Standard and Poor's.

Texas Cooperative Liquid Assets Securities System (Texas CLASS) Trust ("the Trust") is a Participant controlled trust created in accordance with the Texas Public Funds Investment Act, Section 2256.0017 and was established for participating Texas municipalities on January 1, 1996 under the trust agreement (the "Trust Agreement"). Texas CLASS commenced operations on April 12, 1996 and Texas CLASS Government commenced operations on December 1, 2016. Both portfolios in the Trust are available for investment by Texas municipalities, school districts and public agencies. The purpose of the Trust is to enable such entities to cooperate in the investment of their available funds. The Trust operates like a money market mutual fund with each share valued at $1.00. The Trust is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. Texas CLASS and Texas CLASS Government are both rated AAAm by S&P Global Ratings. The Town participates in Texas CLASS Government.

3. RECEIVABLES

Receivables at September 30, 2023, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 310,274	$ 85,518	$ -	$ -	$ -
Accounts	4,420,054	-	182	7,310,596	7,439
Franchise fees	2,476,672	-	-	-	29,353
Unbilled services	-	-	-	2,907,839	-
Accrued interest	340,044	-	70,278	-	-
Intergovernmental	310,716	-	28,499	-	83,602
Other taxes	3,206,823	-	-	-	3,241,284
Leases	403,952	-	-	-	-
Gross receivables	11,468,535	85,518	98,959	10,218,435	3,361,678
Less: allowance	(2,729,054)	(4,254)	-	(1,031,013)	-
Net total receivables	$ 8,739,481	$ 81,264	$ 98,959	$ 9,187,422	$ 3,361,678

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 368,841
Municipal court receivable (general fund)	130,252
Franchise fee receivable (general fund)	1,097,238
Ambulance revenues (general fund)	292,067
Community Activity Center accounts receivable (general fund)	466,470
Delinquent property taxes receivable (debt service fund)	90,852
	$ 2,445,720

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2023 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$ 9,807	Short-term funding-intergovernmental receivable
	Total	$ 9,807	

There was an interfund balance at September 30, 2023 between the Street Maintenance Fund and the following funds: SAFER Grant and the Grants Fund for $9,807. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 2,816,837	Administrative Cost Allocation
Nonmajor Governmental Fund	General Fund	275,000	CDC operation & maintenance
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	75,000	Street Light program
General Fund	Capital Projects Fund	1,000,000	Adaptive Signal Upgrade
General Fund	Capital Projects Fund	82,500	Traffic Signal Preemption Upgrade
General Fund	Capital Projects Fund	90,000	Roadway Amenities project
General Fund	Capital Projects Fund	165,000	Traffic Detection Rehabilitation project
Nonmajor Governmental Fund	General Debt Service Fund	270,950	Twin Coves park
General Fund	Health Insurance Fund	4,275	Animal Services Vaccines
General Fund	Nonmajor Governmental Fund	4,785	Bulletproof Vest Grant match
General Fund	Nonmajor Governmental Fund	557,225	SAFER Grant match
		$ 5,491,572	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2023, are summarized as follows:

Governmental activities:	Balance at October 1, 2022 (as restated)	Additions	Retirements/ Transfers	Balance at September 30, 2023
Capital assets not being depreciated:				
Land	$ 35,782,959	$ 1,802,838	$ -	$ 37,585,797
Construction in progress	43,242,394	12,176,312	(6,202,083)	49,216,623
Total capital assets not being depreciated	79,025,353	13,979,150	(6,202,083)	86,802,420
Capital assets being depreciated:				
Buildings	112,906,741	279,032	-	113,185,773
Streets and bridges	453,431,132	7,427,716	6,202,083	467,060,931
Improvements	48,317,130	-	-	48,317,130
Equipment	29,281,406	3,339,947	(1,141,502)	31,479,851
Total capital assets being depreciated	643,936,409	11,046,695	5,060,581	660,043,685
Less accumulated depreciation for:				
Buildings	27,806,111	3,467,994	-	31,274,105
Streets and bridges	294,242,924	10,970,633	-	305,213,557
Improvements	19,441,684	2,297,871	-	21,739,555
Equipment	16,703,534	2,429,916	(1,129,122)	18,004,328
Total accumulated depreciation	358,194,253	19,166,414	(1,129,122)	376,231,545
Total capital assets, being depreciated, net	285,742,156	(8,119,719)	6,189,703	283,812,140
Capital assets being amortized:				
Subscription right-of-use assets	733,603	179,728	-	913,331
Total capital assets being amortized	733,603	179,728	-	913,331
Less accumulated amortization for:				
Subscription right-of-use assets	-	410,957	-	410,957
Total accumulated amortization	-	410,957	-	410,957
Total capital assets, being amortized, net	733,603	(231,229)	-	502,374
Governmental activities capital assets, net	$ 365,501,112	$ 5,628,202	$ (12,380)	$ 371,116,934

Business-type activities:	Balance at October 1, 2022 (as restated)	Additions	Retirements/ Transfers	Balance at September 30, 2023
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	24,099,750	5,372,762	(19,746,357)	9,726,155
Total capital assets not being depreciated	28,519,505	5,372,762	(19,746,357)	14,145,910
Capital assets being depreciated:				
Buildings	53,765,322	-	-	53,765,322
Distribution System	268,104,981	2,650,507	19,746,357	290,501,845
Equipment	3,872,703	843,008	(134,463)	4,581,248
Total capital assets being depreciated	325,743,006	3,493,515	19,611,894	348,848,415
Less accumulated depreciation for:				
Buildings	23,985,421	1,179,349	-	25,164,770
Distribution System	99,942,945	8,031,706	-	107,974,651
Equipment	2,683,910	316,622	(134,463)	2,866,069
Total accumulated depreciation	126,612,276	9,527,677	(134,463)	136,005,490
Total capital assets, being depreciated, net	199,130,730	(6,034,162)	19,746,357	212,842,925
Capital assets being amortized:				
Subscription right-of-use assets	-	73,238	-	73,238
Total capital assets being amortized	-	73,238	-	73,238
Less accumulated amortization for:				
Subscription right-of-use assets	-	29,906	-	29,906
Total accumulated amortization	-	29,906	-	29,906
Total capital assets, being amortized, net	-	43,332	-	43,332
Business-type activities capital assets, net	$ 227,650,235	$ (618,068)	$ -	$ 227,032,167

Business-type activities include $5,372,762 of the total $8,866,277 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 15,908
Library services	146,876
Parks and recreation services	3,380,063
Police services	987,950
Financial services	1,289,356
Fire and emergency services	1,825,718
Communications	33,250
Infrastructure services	11,487,293
Total depreciation expense-governmental activities	$ 19,166,414

Amortization expense was charged to functions/programs as follows:

Governmental Activities:	
Administrative services	$ 300,512
Police services	77,930
Financial services	9,855
Fire and emergency services	22,660
Total amortization expense-governmental activities	$ 410,957

Outstanding commitments at September 30, 2023, under authorized construction contracts were approximately $20,147,984. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

Outstanding Commitments	
TIRZ	$ 5,885,143
Park Development	67,793
Street Maintenance	226,324
Parks-4B	348,150
ARPA	433,688
General Projects	2,282,273
Utility System Projects	10,904,613
Total outstanding commitments	$ 20,147,984

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Loss on refundings – difference in the carrying value of refunded debt and its reacquisition price. Additions result from any deferred losses on current fiscal year refundings. A reduction is the amount that is amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows and Inflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Changes in actuarial assumption – difference arising due to assumption changes. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Investment gains/losses – difference in projected and actual earning on assets. The loss is deferred and amortized over a closed 5 year period.

Deferred Inflows Related to Leases

- This amount is initially an offset to Leases Receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

A summary of changes in deferred outflows and inflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Loss on refundings	$ 450,477	$ -	$ (117,396)	$ 333,081
Pension contributions after measurement date	3,350,966	3,735,998	(3,404,845)	3,682,119
Pension difference in actual experience and actuarial assumptions	1,284,896	-	(746,705)	538,191
Pension investment gains/losses	(9,137,468)	19,592,260	-	10,454,792
Pension assumption gains/losses	178,495	-	(134,953)	43,542
OPEB contributions after measurement date	307,487	76,380	(317,115)	66,752
OPEB difference in actual experience and actuarial assumptions	(65,993)	608,796	(10,012)	532,791
OPEB assumption gains/losses	608,117	704,486	(639,190)	673,413
Leases	770,407	-	(337,408)	432,999
Business-type activities:				
Deferred amounts:				
Loss on refundings	$ 217,592	$ -	$ (124,393)	$ 93,199
Pension contributions after measurement date	469,746	456,313	(415,867)	510,192
Pension difference in actual experience and actuarial assumptions	184,039	-	(91,202)	92,837
Pension investment gains/losses	(1,293,563)	2,392,992	-	1,099,429
Pension assumption gains/losses	25,943	-	(16,483)	9,460
OPEB contributions after measurement date	57,899	9,329	(55,919)	11,309
OPEB difference in actual experience and actuarial assumptions	(12,057)	111,593	(1,223)	98,313
OPEB assumption gains/losses	104,052	129,133	(78,069)	155,116

7. LONG TERM DEBT

On June 21, 2023, the Town issued $7,370,000 in Certificates of Obligation Series, 2023, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

The Town Council authorized an ordinance on June 21, 2023, to issue $6,455,000 in General Obligation Refunding Bonds Series, 2023, to refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligation Series 2013 for $6,995,000 for years maturing 2024 through 2033. Such refunded bonds are no longer payable from the net revenue of the Town of Flower Mound. The net carrying amount of the old debt exceeded the reacquisition price by $64,191. This refunding was undertaken to reduce total debt service payments by $294,899 and resulted in an economic gain of $268,210.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, and obligations under compensated absence agreements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 395,000
2014 Refunding	1,205,000
2014A Refunding	2,495,000
2016 Refunding	3,950,000
2020 Refunding	2,160,000
2023 Refunding	1,640,000
	$ 11,845,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2024	$ 3,130,000	$ 482,001	$ 3,612,001
2025	2,860,000	326,625	3,186,625
2026	2,340,000	204,900	2,544,900
2027	1,500,000	122,250	1,622,250
2028	600,000	78,700	678,700
2029-2033	1,415,000	136,650	1,551,650
Total	$ 11,845,000	$ 1,351,126	$ 13,196,126

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2014	$ 295,000
2015	1,710,000
2015A	2,795,000
2016	2,865,000
2017	3,445,000
2017A	10,365,000
2018	3,920,000
2018A	5,085,000
2019	5,255,000
	$ 35,735,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2024	$ 3,980,000	$ 1,670,938	$ 5,650,938
2025	4,130,000	1,537,619	5,667,619
2026	4,275,000	1,381,938	5,656,938
2027	1,830,000	1,208,519	3,038,519
2028	1,910,000	1,129,644	3,039,644
2029-2033	10,055,000	3,617,972	13,672,972
2034-2038	9,115,000	889,575	10,004,575
2039	440,000	6,600	446,600
Total	$ 35,735,000	$ 11,442,803	$ 47,177,803

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 430,000
2014 Refunding	190,000
2014A Refunding	315,000
2016 Refunding	4,070,000
2020 Refunding	1,030,000
2021 Refunding	1,540,000
2023 Refunding	4,815,000
	$ 12,390,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2024	$ 2,130,000	$ 542,995	$ 2,672,995
2025	1,830,000	415,700	2,245,700
2026	1,800,000	336,600	2,136,600
2027	1,760,000	264,225	2,024,225
2028	1,195,000	204,450	1,399,450
2029-2033	3,675,000	418,550	4,093,550
Total	$ 12,390,000	$ 2,182,520	$ 14,572,520

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2012	$ 3,600,000
2014	9,190,000
2015A	5,235,000
2016	6,225,000
2017A	6,590,000
2018A	3,210,000
2019	17,780,000
2020	7,100,000
2021	8,480,000
2022	8,320,000
2023	7,370,000
	$ 83,100,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2024	$ 4,175,000	$ 3,253,910	$ 7,428,910
2025	4,375,000	3,041,606	7,416,606
2026	4,560,000	2,872,697	7,432,697
2027	4,735,000	2,683,706	7,418,706
2028	4,930,000	2,487,213	7,417,213
2029-2033	27,475,000	9,182,406	36,657,406
2034-2038	23,650,000	3,659,700	27,309,700
2039-2042	9,200,000	588,100	9,788,100
Total	$ 83,100,000	$ 27,769,338	$ 110,869,338

A summary of changes in long-term liabilities for the year ended September 30, 2023 follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 13,405,000	$ 1,640,000	$ (3,200,000)	$ 11,845,000	$ 3,130,000
Certificates of obligations	41,500,000	-	(5,765,000)	35,735,000	3,980,000
Bond premiums/discounts	5,504,308	162,930	(868,938)	4,798,300	820,030
Total bonds payable	60,409,308	1,802,930	(9,833,938)	52,378,300	7,930,030
Compensated absences	5,483,654	526,809	(299,714)	5,710,749	1,577,358
OPEB Liability	4,211,651	1,915,656	(1,023,562)	5,103,745	-
Net pension liability	5,647,331	30,638,206	(9,364,304)	26,921,233	-
Subscription liability	733,603	179,728	(505,605)	407,726	191,140
Governmental activity Long-term liabilities	$ 76,485,547	$ 35,063,329	$ (21,027,123)	$ 90,521,753	$ 9,698,528
Business-type activities:					
General obligation bonds	$ 9,280,000	$ 4,815,000	$ (1,705,000)	$ 12,390,000	$ 2,130,000
Certificates of obligations	85,165,000	7,370,000	(9,435,000)	83,100,000	4,175,000
Bond premiums/discounts	8,957,395	978,746	(848,357)	9,087,784	754,771
Total bonds payable	103,402,395	13,163,746	(11,988,357)	104,577,784	7,059,771
Compensated absences	504,977	56,791	(33,521)	528,247	156,503
OPEB Liability	721,363	340,482	(142,203)	919,642	-
Net pension liability	789,709	3,742,138	(1,143,751)	3,388,096	-
Subscription liability	-	73,238	(37,179)	36,059	36,059
Business-type activity Long-term liabilities	$ 105,418,444	$ 17,376,395	$ (13,345,011)	$ 109,449,828	$ 7,252,333

Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $150,000 for any individual claim and an aggregate amount of 125% of expected claims. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2023	2022
Unpaid claims at beginning of fiscal year	$1,280,490	$1,354,884
Claims incurred and changes in estimates	7,000,965	6,071,958
Payments	(6,853,618)	(6,146,352)
Unpaid claims at end of fiscal year	$1,427,837	$1,280,490

All claims are due within one year.

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The Town has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2023, the Town abated $37,114,020 in real and/or personal property value, resulting in $150,312 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year ending September 30, 2023, the Town rebated $240,795 in property taxes and $3,350 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2023 Annual Report identified an ending fund balance of $20,636,815, after total revenue of $9,298,656 and total expenditures of $7,686,113.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated against the subsequent year's budget. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were $2,694,947.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $20,010,328 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire,

construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $573,432 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 919 plans in the defined benefit cash-balance plan administered by Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated based on the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's contributions and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2022 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	0% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	315
Inactive employees entitled to but not yet receiving benefits	504
Active Employees	624
	1,443

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 11.31% and 11.25% in calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2023, were $5,652,138, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2109, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	$ 184,617,951	$ 178,180,910	$ 6,437,041
Changes for the year:			
Service cost	7,114,585	-	7,114,585
Interest	12,489,034	-	12,489,034
Difference between expected and actual experience	(70,911)	-	(70,911)
Changes of assumptions	-	-	-
Contributions- employer	-	5,326,402	(5,326,402)
Contributions- employee	-	3,331,244	(3,331,244)
Net investment income	-	(13,018,982)	13,018,982
Benefits payments, including refunds of employee contributions	(6,305,025)	(6,305,025)	-
Administrative expense	-	(112,551)	112,551
Other changes	-	134,307	(134,307)
Net Changes	$ 13,227,683	$ (10,644,605)	$ 23,872,288
Balance at 12/31/2022	$ 197,845,634	$ 167,536,305	$ 30,309,329

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as, what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 59,952,120	$ 30,309,329	$ 5,981,386

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2023, the Town recognized pension expense of $8,202,781.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 631,028	$ -
Difference between projected and actual investment earnings	11,554,221	-
Contributions subsequent to the measurement date	4,192,311	-
Changes in Actuarial assumptions	53,002	-
Total	$ 16,430,562	$ -

$4,192,311 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2024	$ 1,143,115
2025	2,999,238
2026	3,089,548
2027	5,006,350
Total	$ 12,238,251

12. OTHER POST-EMPLOYMENT BENEFITS

The Town provides for two post-employment benefit (OPEB) plans; one provides for postemployment healthcare through a single-employer defined benefit healthcare plan (Retiree Health Care Plan-OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single employer defined benefit OPEB plan. Both plans are described in detail.

Aggregate amounts for the two OPEB plans are as follows:

	Healthcare OPEB	TMRS SDBF	Total
Total OPEB Liability	$ 4,712,392	$ 1,310,995	$ 6,023,387
Deferred outflows of resources	1,181,712	355,982	1,537,694
Deferred inflows of resources	-	-	-
OPEB Expense	485,231	109,817	595,048

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer, defined benefit other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	203
Inactive employees entitled to but not yet receiving benefits	100
Active employees	624
Total	927

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rates were 0.12% and 0.23% for 2022 and 2023, respectively. 0.04% and 0.06% of the contractually required rates for 2022 and 2023, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2023 and 2022 were $102,284 and $56,087, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	4.05 %
Projected salary increases	3.50% to 11.50% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are accounted for under the reporting requirements under GASB Statement No. 68.

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. These were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 4.05% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2022.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.05%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (4.05%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,595,009	$ 1,310,995	$ 1,091,850

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,310,995 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2023, the Town recognized OPEB aggregate expense of $109,817. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	$ 1,948,708
Changes for the year:	
Service cost	123,732
Interest	36,819
Change of benefit terms	-
Difference between expected and actual experience	(32,118)
Changes of assumptions and other inputs	(747,110)
Benefit payments	(19,036)
Net changes	(637,713)
Balance at 12/31/2022	$ 1,310,995

Changes in assumptions and other inputs reflect a change in the discount rate from 1.84% to 4.05% and the changes in actuarial assumptions adopted in 2022.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 82,412	$ -
Changes in actuarial assumptions	355,982	-
Contributions subsequent to the measurement date	85,709	-
Totals	$ 524,103	$ -

$85,709 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2024	$(51,750)
2025	(65,183)
2026	(68,653)
2027	(90,346)
2028	(113,764)
Thereafter	(48,698)
Total	$(438,394)

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent at open enrollments. The spouses of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	13
Inactive, Nonretired Employees	-
Active Employees	544
Total	557

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents is based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2022-2023 ranged from $795.01 to $2,603.46 per month depending on coverage levels selected. There is one retiree whose contribution rate is $114.24 per month for employee plus family dental and vision coverage only and four retirees whose contribution rate is $40.80 for employee only dental and vision.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50%
Actuarial cost method	Individual Entry Age
Discount rate	4.05
Projected salary increases	3.50% to 11.50% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

Mortality rates for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2019 to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.

Participation rates assumed that 15% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. It was assumed no employees would maintain their health coverage through the Town's plan if they retire prior to age 50, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.05%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (4.05%)	1% Increase in Discount Rate
Total OPEB Liability	$ 5,211,104	$ 4,712,389	$ 4,264,181

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the healthcare trend rate used was 1% less than and 1% greater than the healthcare trend rate that was used (7.00%) in measuring the total OPEB liability.

	1% Decrease in Health Care Trend Rate	Current Health Care Trend Rate Assumption	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 4,180,559	$ 4,712,389	$ 5,346,439

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $4,712,389 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2023, the Town recognized OPEB aggregate expense of $485,231. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2021	$ 2,984,306
Changes for the year:	
Service cost	215,834
Interest	54,034
Change of benefit terms	-
Difference between expected and actual experience	779,032
Changes of assumptions and other inputs	990,339
Benefit payments	(311,156)
Net changes	1,728,083
Balance at 12/31/2022	$ 4,712,389

Changes in assumptions and other inputs reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 716,316	$ -
Changes in actuarial assumptions	1,181,712	-
Contributions subsequent to the measurement date	(5,646)	-
Totals	$ 1,892,382	$ -

$(5,646) reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2024	$ 215,363
2025	215,363
2026	215,363
2027	206,511
2028	235,328
Thereafter	810,100
Total	$ 1,898,028

13. LEASES

Lessor – The Town recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

The Town measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The Town uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the Town uses its estimated incremental borrowing rate over a similar term as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lease receivable – At the start of the current fiscal year, the Town was leasing cell sites as lessor. These leases all had varying terms between one and four years. The Town recognized $341,605 in lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the Town's receivable for lease payments was $403,952. Also, the Town has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was $432,999.

14. SUBSCRIPTIONS

Effective October 1, 2022, the Town implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, using the facts and circumstances that existed at the beginning of the period of implementation. There was no impact to the Town's beginning net position upon adoption of the new accounting standard, but the following beginning balances for subscription right-of-use assets and subscription liabilities were recorded at October 1, 2022:

	Governmental Activities	Business-type Activities
Subscription right-of-use assets	$ 733,603	$ -
Subscription liability	$ 733,603	$ -

The Town has various subscriptions that met the requirements of this Statement, including software for general office use, document management, work order processing, procurement, recruiting, project management, geographic information system, data backup management, public safety video systems and dashboard, and emergency management. As of September 30, 2023, the subscriptions have fixed, periodic payments over the subscription terms which range from one year to six years and expire no later than fiscal year 2029.

Future subscriptions payments as of September 30, 2023 are as follows:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 191,140	$ 12,760	$ 203,900	$ 36,059	$ 1,120	$ 37,179
2025	171,616	6,790	178,406	-	-	-
2026	19,945	1,426	21,371	-	-	-
2027	12,126	795	12,921	-	-	-
2028	12,899	410	13,309	-	-	-
Total	$ 407,726	$ 22,181	$ 429,907	$ 36,059	$ 1,120	$ 37,179

15. NEW FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statements:

Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. The requirements of the Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

Statement No. 101, Compensated Absences. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

16. SUBSEQUENT EVENTS

The Town has evaluated events and transactions for potential recognition or disclosure through March 13, 2024, the date the financial statements were available to be issued, and the Town has found no significant events to disclose.

Town of Flower Mound, Texas
Required Supplemental Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 70,200,253	$ 70,200,253	$ 72,830,205	$ -	$ 72,830,205	$ 2,629,952
Licenses, permits and fees	2,718,360	2,718,360	2,401,404	-	2,401,404	(316,956)
Intergovernmental	1,380,190	3,684,271	4,146,350	-	4,146,350	462,079
Charges for services	4,530,000	4,530,000	4,950,966	-	4,950,966	420,966
Fines and forfeits	745,950	745,950	1,169,923	-	1,169,923	423,973
Investment earnings	200,000	200,000	2,079,698	-	2,079,698	1,879,698
Other revenue	602,639	603,959	828,762	-	828,762	224,803
Total Revenues	80,377,392	82,682,793	88,407,308	-	88,407,308	5,724,515
EXPENDITURES						
Town manager's office	5,173,845	3,958,547	3,261,563	75,863	3,337,426	621,121
Legislative services	547,589	633,310	628,400	-	628,400	4,910
Development services	2,397,117	2,413,242	2,390,820	-	2,390,820	22,422
Parks & recreation services	11,232,314	11,334,770	10,826,328	17,886	10,844,214	490,556
Library Services	2,123,151	2,150,113	2,133,400	-	2,133,400	16,713
Police services	18,847,197	20,430,822	19,284,211	1,103,017	20,387,228	43,594
Financial services	4,234,015	4,282,157	4,052,862	104,358	4,157,220	124,937
Administrative services	8,410,547	9,085,042	7,761,807	506,539	8,268,346	816,696
Fire and emergency services	19,357,020	25,141,543	23,866,877	767,383	24,634,260	507,283
Communications	834,813	843,595	830,070	-	830,070	13,525
Public works	6,389,035	6,599,286	6,104,002	180,636	6,284,638	314,648
Environmental services	1,604,312	1,615,621	1,459,091	52,800	1,511,891	103,730
Total Expenditures	81,150,955	88,488,048	82,599,431	2,808,482	85,407,913	3,080,135
Excess (deficiency) of revenues over (under) expenditures	(773,563)	(5,805,255)	5,807,877	(2,808,482)	2,999,395	8,804,650
OTHER FINANCING SOURCES (USES)						
Subscription financing	-	-	179,728	-	179,728	179,728
Transfers in	3,091,837	3,091,837	3,091,837	-	3,091,837	-
Transfers out	(2,128,785)	(2,128,785)	(2,128,785)	-	(2,128,785)	-
Total other financing sources and uses	963,052	963,052	1,142,780	-	1,142,780	179,728
Net change in fund balances	189,489	(4,842,203)	6,950,657	(2,808,482)	4,142,175	8,984,378
Fund balances - beginning	34,983,172	34,983,172	34,983,172	-	34,983,172	-
Fund balances - ending	$ 35,172,661	$ 30,140,969	$ 41,933,829	$(2,808,482)	$ 39,125,347	$ 8,984,378

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 81 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2022-2023, the Town Council of the Town of Flower Mound amended the budget for the General Fund seven times. The original expenditure budget was amended to increase the budget by $7,337,093.

General Fund budget increased $1,850,000 to purchase land for a permanent Fire Station 6. A comprehensive compensation and classification study was performed and the budget increased $394,063 to implement the recommended changes to employee compensation. General Fund budget increased $450,000 for asbestos abatement and demolition of a Town owned building.

The Facilities budget was increased by $413,000 to account for projects that were budgeted but not completed in the last fiscal year. Due to time constraints and supply chain issues, eight projects that were budgeted in FY 21-22 were unable to be completed during the fiscal year: Fire Station #6 generator installation for $60,000, Animal Adoption Center guillotine doors on kennels and kennel tips for $20,000, Fire Station #1 crew area, watch office, kitchen, and battalion and captain offices for $150,000, Fire Station #2 crew showers for $25,000, Fire Station #4 electrical shorelines and reels for $8,000, Animal Adoption Center walk-in freezer for $50,000, Animal Adoption Center HVAC upgrade for $50,000, and Fleet Services wash bay for $50,000. Facilities budget also increased by $25,000 for an emergency project fixing the main concrete walkway of the Library.

Fire and Emergency Services Department budget increased $2,420,337. The Fire Department budget increased $738,000 due to working with the Texas Division of Emergency Management supporting Operation Lonestar in Del Rio, Texas. The budget was increased $921,665 for the replacement of self-contained breathing apparatuses (SCBA) and $760,672 to replace emergency portable radio equipment. The Police Department budget increased $1,119,333 to replace emergency portable radio equipment.

Town Manager's Office budget increased by $34,700 to add two positions for Strategic Services. The Parks and Recreation budget was increased by $7,467 for Community Activity Center equipment and $1,320 for Senior Center chairs. Public Works Department budget increased $66,081 to account for maintaining traffic signals outside the Town's boundaries. Town Secretary Office budget increased $50,740 and the Financial Services Department budget increased $25,000 due to increased costs of elections. The remaining $480,052 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2022.

The revenue budget was increased with amendments by $2,305,401. Intergovernmental revenue increased by $2,238,000 due to the state reimbursement for the Fire Department working with the Texas Division of Emergency Management supporting Operation Lonestar in Del Rio, Texas. The state reimbursed the Town for employee salary, overtime, and backfill expenses and expenditures such as lodging and food for the employees on deployment. The revenue budget was also increased by $66,081 to account for maintaining traffic signals outside the Town's boundaries. The Senior Center received a donation of $1,320 to purchase chairs.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Nine Fiscal Plan Years (Previous years are not available)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:									
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170	$ 6,054,483	$ 6,574,622	$ 6,845,217	$ 7,114,585
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156	9,813,806	10,769,532	11,613,126	12,489,034
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606	1,679,595	388,866	794,310	(70,911)
Change of assumptions	-	2,074,237	-	-	-	658,746	-	-	-
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)	(6,305,024)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492	$ 13,815,429	$ 13,508,606	$ 12,735,834	$ 13,227,684
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590	144,558,082	158,373,511	171,882,117	184,617,951
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082	$ 158,373,511	$ 171,882,117	$ 184,617,951	$ 197,845,635
Plan fiduciary net position:									
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713	$ 4,340,811	$ 4,698,644	$ 5,151,464	$ 5,326,402
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159	2,844,388	3,053,905	3,194,435	3,331,244
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)	18,646,488	10,776,001	20,368,198	(13,018,982)
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)	(6,305,025)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)	(105,274)	(69,670)	(94,144)	(112,551)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)	(3,163)	(2,717)	644	134,307
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)	$ 21,332,049	$ 14,231,749	$ 22,103,778	$ (10,644,605)
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503	120,513,335	141,845,384	156,077,133	178,180,911
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335	$ 141,845,384	$ 156,077,133	$ 178,180,911	$ 167,536,306
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747	$ 16,528,127	$ 15,804,984	$ 6,437,040	$ 30,309,329
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%	89.56%	90.80%	96.51%	84.68%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134	40,634,112	43,627,217	45,634,783	47,589,196
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%	40.68%	36.23%	14.11%	63.69%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2014	2,644,038	2,644,038	-	29,731,270	8.89%
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%
2020	4,486,154	4,486,154	-	42,056,582	10.67%
2021	4,967,961	4,967,961	-	44,655,412	11.13%
2022	5,243,131	5,243,131	-	46,770,827	11.21%
2023	5,652,138	5,652,138	-	51,076,703	11.07%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	22 Years (longest amortization ladder)
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully general basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021	2022
A. Total OPEB liability						
Service Cost	$ 58,960	$ 69,482	$ 65,015	$ 87,254	$ 114,087	$ 123,732
Interest (on the Total OPEB Liability)	35,744	37,812	45,898	40,278	35,770	36,819
Difference between expected and actual experience	-	84,553	(143,228)	(56,355)	10,856	(32,118)
Changes of assumptions	100,568	(90,860)	255,097	252,729	65,673	(747,110)
Benefit payments	(3,685)	(3,860)	(4,063)	(8,725)	(18,254)	(19,036)
Net change in Total OPEB liability	191,587	97,127	218,719	315,181	208,132	(637,713)
Total OPEB liability - beginning	917,962	1,109,549	1,206,676	1,425,395	1,740,576	1,948,708
Total OPEB liability - ending	1,109,549	1,206,676	1,425,395	1,740,576	1,948,708	1,310,995
B. Covered-employee payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783	$ 47,589,196
C. Total OPEB liability as a percentage of covered payroll	3.01%	3.13%	3.51%	3.99%	4.27%	2.75%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*
- Included in the changes of assumptions for 2022 was a decrease to the discount rate from 1.84% to 4.05%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021	2022
A. Total OPEB liability						
Service Cost	$ 84,755	$ 116,359	$ 72,917	$ 101,855	$ 197,848	$ 215,834
Interest (on the Total OPEB Liability)	76,129	77,152	57,328	49,091	55,816	54,034
Difference between expected and actual experience	125,269	(983,077)	(59,278)	647,915	40,267	779,032
Changes of assumptions	110,649	(821)	139,212	198,982	47,361	990,339
Benefit payments	(199,405)	39,673	13,232	17,311	(97,699)	(311,156)
Net change in Total OPEB liability	197,397	(750,714)	223,411	1,015,154	243,593	1,728,083
Total OPEB liability - beginning	2,055,465	2,252,862	1,502,148	1,725,559	2,740,713	2,984,306
Total OPEB liability - ending	2,252,862	1,502,148	1,725,559	2,740,713	2,984,306	4,712,389
B. Covered-employee payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783	$ 47,589,196
C. Total OPEB liability as a percentage of covered payroll	6.11%	3.89%	4.25%	6.28%	6.54%	9.90%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was an increase to the discount rate from 1.84% to 4.05%, as well as, changes to the demographic assumptions based on the 2022 TMRS Experience Study.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actua
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 5,808,749	$ 5,808,749	$ 5,737,284	$ -	$ 5,737,284	$(71,465)
Investment earnings	10,000	103,060	102,839	-	102,839	(221)
Total Revenue	5,818,749	5,911,809	5,840,123	-	5,840,123	(71,686)
EXPENDITURES						
Debt service						
Principal	4,870,000	4,870,000	4,870,000	-	4,870,000	-
Interest and fiscal charges	1,870,310	1,870,310	1,864,101	-	1,864,101	6,209
Total Expenditures	6,740,310	6,740,310	6,734,101	-	6,734,101	6,209
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(921,561)	(828,501)	(893,978)	-	(893,978)	(65,477)
OTHER FINANCING SOURCES						
Refunded bonds issued	-	1,640,000	1,640,000	-	1,640,000	-
Premium on bonds	-	162,930	162,930	-	162,930	-
Payment to escrow	-	(1,806,502)	(1,806,502)	-	(1,806,502)	-
Transfers in	270,950	270,950	270,950	-	270,950	-
Total Other Financing Sources	270,950	267,378	267,378	-	267,378	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(650,611)	(561,123)	(626,600)	-	(626,600)	(65,477)
FUND BALANCE, BEGINNING OF YEAR	1,416,963	1,416,963	1,416,963	-	1,416,963	-
FUND BALANCE, END OF YEAR	$ 766,352	$ 855,840	$ 790,363	$ -	$ 790,363	$(65,477)

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Impact fees	$ -	$ -	$ 713,360	$ -	$ 713,360	$ 713,360
Investment earnings	-	-	1,031,210	-	1,031,210	1,031,210
Intergovernmental	-	-	2,060,653	-	2,060,653	2,060,653
Other revenue	-	-	-	-	-	-
Total revenues	-	-	3,805,223	-	3,805,223	3,805,223
EXPENDITURES						
Current -						
Capital projects	11,532,450	17,473,981	2,150,455	1,161,328	3,311,783	14,162,198
Total Expenditures	11,532,450	17,473,981	2,150,455	1,161,328	3,311,783	14,162,198
Excess (deficiency) of revenues over (under) expenditures	(11,532,450)	(17,473,981)	1,654,768	(1,161,328)	493,440	17,967,421
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,562,500	-	1,562,500	1,562,500
Total other financing sources and uses	-	-	1,562,500	-	1,562,500	1,562,500
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(11,532,450)	(17,473,981)	3,217,268	(1,161,328)	2,055,940	19,529,921
FUND BALANCE, BEGINNING OF YEAR	23,129,231	23,129,231	23,129,231	-	23,129,231	-
FUND BALANCE, END OF YEAR	$ 11,596,781	$ 5,655,250	$ 26,346,499	$(1,161,328)	$ 25,185,171	$ 19,529,921

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Special Revenue											
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure	IRS Equitable Sharing
ASSETS												
Cash and cash equivalents	$ 44,827	$ 10,440,259	$ 3,168,478	$ 1,092,176	$ 385,982	$ 7,397,231	$ 4,584,408	$ 1,710,282	$ 852,740	$ 29,503	$ 43,660	$ 4,205
Investments	15,227	10,747,252	3,275,885	1,137,630	370,463	7,715,859	4,756,904	1,977,997	1,123,595	-	-	-
Sales tax receivable	-	-	-	-	-	801,706	801,706	791,307	790,030	-	-	-
Accounts receivable	-	476	-	-	-	386	-	-	-	-	-	-
Franchise fees receivable	-	-	-	-	29,353	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	9,807	-	-	-	-	-	-
Total Assets	$ 60,054	$ 21,187,987	$ 6,444,363	$ 2,229,806	$ 785,798	$ 15,924,989	$ 10,143,018	$ 4,479,586	$ 2,766,365	$ 29,503	$ 43,660	$ 4,205
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable	$ -	$ 358,652	$ 226,205	$ 38,218	$ 2,257	$ 2,173	$ 507,876	$ 36,591	$ 46,671	$ -	$ 20,636	$ -
Retainage payable	-	192,520	135,065	-	-	206,350	9,455	-	-	-	-	-
Salaries payable	-	-	-	1,129	-	-	-	43,196	53,254	-	-	-
Interfund	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	11,353	-	-
Total Liabilities	-	551,172	361,270	39,347	2,257	208,523	517,331	79,787	99,925	11,353	20,636	-
Fund Balance:												
Restricted for:												
Community services	-	-	-	-	783,541	-	-	-	-	18,150	-	-
Community development	-	20,636,815	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	4,399,799	2,666,440	-	23,024	4,205
Streets	-	-	-	-	-	15,716,466	-	-	-	-	-	-
Parks	-	-	-	-	-	-	9,625,687	-	-	-	-	-
Committed for:												
Community services	60,054	-	-	2,190,459	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	6,083,093	-	-	-	-	-	-	-	-	-
Total Fund Balance	60,054	20,636,815	6,083,093	2,190,459	783,541	15,716,466	9,625,687	4,399,799	2,666,440	18,150	23,024	4,205
Total Liabilities and Fund Balance	$ 60,054	$ 21,187,987	$ 6,444,363	$ 2,229,806	$ 785,798	$ 15,924,989	$ 10,143,018	$ 4,479,586	$ 2,766,365	$ 29,503	$ 43,660	$ 4,205

	Special Revenue														
	Justice Seizures	Chapter 59 Seizures	Animal Care	SAFER Grant	Opioid Settlements	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$	178,541	$ 124,991	$ 49,373	$ -	$ 67,573	$ 8,832	$ -	$ 106,778	$ 1,605,105	$ 263,581	$ 82,991	$ 56,963	$ 865	$ 58,924	$ 32,358,268
	14,526	-	47,781	-	-	-	-	68,713	1,794,680	147,428	47,033	38,287	-	3,472	33,282,732
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,184,749
	-	-	-	-	-	-	-	6,577	-	56,535	-	-	-	-	63,974
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,353
	-	-	-	-	-	62,795	20,807	-	-	-	-	-	-	-	83,602
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,807
$	193,067	$ 124,991	$ 97,154	$ -	$ 67,573	$ 71,627	$ 20,807	$ 182,068	$ 3,399,785	$ 467,544	$ 130,024	$ 95,250	$ 865	$ 62,396	$ 69,012,485
$	-	$ 21,465	$ -	$ -	$ -	$ 59,197	$ 6,000	$ 45,990	$ 36,223	$ 18,468	$ -	$ 6,555	$ -	$ -	$ 1,433,177
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	543,390
	-	816	-	-	-	-	-	-	-	-	-	-	-	-	98,395
	-	-	-	-	-	-	9,807	-	-	-	-	-	-	-	9,807
	-	-	-	-	67,573	-	-	-	3,196,971	-	-	-	-	-	3,275,897
	-	22,281	-	-	67,573	59,197	15,807	45,990	3,233,194	18,468	-	6,555	-	-	5,360,666
	-	-	-	-	-	-	-	-	-	449,076	-	-	-	-	1,250,767
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,636,815
	193,067	102,710	-	-	-	-	-	-	-	-	130,024	88,695	865	62,396	7,671,225
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,716,466
	-	-	-	-	-	12,430	-	-	-	-	-	-	-	-	9,638,117
	-	-	-	-	-	-	5,000	136,078	-	-	-	-	-	-	2,391,591
	-	-	97,154	-	-	-	-	-	166,591	-	-	-	-	-	263,745
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,083,093
	193,067	102,710	97,154	-	-	12,430	5,000	136,078	166,591	449,076	130,024	88,695	865	62,396	63,651,819
$	193,067	$ 124,991	$ 97,154	$ -	$ 67,573	$ 71,627	$ 20,807	$ 182,068	$ 3,399,785	$ 467,544	$ 130,024	$ 95,250	$ 865	$ 62,396	$ 69,012,485

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue											
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure	IRS Equitable Sharing
REVENUES												
Ad valorem taxes	$ -	$ 8,467,146	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise fees	-	-	-	-	126,864	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	4,687,631	4,687,631	4,625,980	4,615,870	-	-	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	273,723	191,950	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	98	-
Investment earnings	3,166	831,510	248,111	86,641	29,951	565,734	328,502	130,575	63,579	-	1,736	-
Memorials and contributions	63,338	-	6,154	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	66,504	9,298,656	527,988	278,591	156,815	5,253,365	5,016,133	4,756,555	4,679,449	-	1,834	-
EXPENDITURES												
Current												
Parks & recreation services	-	-	111,471	137,666	-	-	2,240,997	-	-	-	-	-
Library services	50,220	-	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	3,640,270	-	-	-	59,461
Financial services	-	-	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	3,814,181	-	-	-
Communications	-	-	-	-	104,505	-	-	-	-	-	-	-
Public works	-	5,045,913	-	-	-	2,320,038	-	-	-	-	-	-
Debt Service	-	2,640,200	-	-	-	-	-	-	-	-	-	-
Total Expenditures	50,220	7,686,113	111,471	137,666	104,505	2,320,038	2,240,997	3,640,270	3,814,181	-	-	59,461
Excess (deficiency) of revenues over (under) expenditures	16,284	1,612,543	416,517	140,925	52,310	2,933,327	2,775,136	1,116,285	865,268	-	1,834	(59,461)
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(545,950)	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	(545,950)	-	-	-	-	-
Net change in fund balances	16,284	1,612,543	416,517	140,925	52,310	2,933,327	2,229,186	1,116,285	865,268	-	1,834	(59,461)
Fund balances - beginning	43,770	19,024,272	5,666,576	2,049,534	731,231	12,783,139	7,396,501	3,283,514	1,801,172	18,150	21,190	63,666
Fund balances - ending	$ 60,054	$ 20,636,815	$ 6,083,093	$ 2,190,459	$ 783,541	$ 15,716,466	$ 9,625,687	$ 4,399,799	$ 2,666,440	$ 18,150	$ 23,024	$ 4,205

Special Revenue																
Justice Seizures	Chapter 59 Seizures	Animal Care	SAFER Grant	Opioid Settlements	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,467,146
-	-	-	-	-	-	-	-	-	-	-	-	-	-	126,864
-	-	-	215,291	-	408,543	37,212	-	543,408	-	-	-	-	-	1,204,454
-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,617,112
-	-	-	-	-	-	-	-	-	573,356	-	-	-	-	573,356
-	-	-	-	-	-	-	-	-	-	-	-	-	-	465,673
-	-	-	-	-	-	-	88,032	-	-	-	-	-	-	88,032
154,925	19,502	-	-	-	-	-	-	-	-	36,454	30,018	733	36,691	278,421
3,933	-	3,766	-	-	-	-	6,085	143,575	13,220	5,214	4,105	-	2,060	2,471,463
-	-	9,205	-	-	-	-	-	-	-	-	-	-	-	78,697
-	36,000	-	-	-	12,430	-	-	-	-	-	-	-	-	48,430
158,858	55,502	12,971	215,291	-	420,973	37,212	94,117	686,983	586,576	41,668	34,123	733	38,751	32,419,648
-	-	-	-	-	408,543	-	-	-	348,329	-	-	-	-	3,247,006
-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,220
-	56,435	8,045	-	-	-	32,121	-	-	-	-	-	-	-	3,796,332
-	-	-	-	-	-	-	-	-	-	30,445	35,256	-	17,486	83,187
-	-	-	772,515	-	-	4,877	-	220,905	-	-	-	-	-	4,812,478
-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,505
-	-	-	-	-	-	-	96,595	322,503	-	-	-	-	-	7,785,049
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,640,200
-	56,435	8,045	772,515	-	408,543	36,998	96,595	543,408	348,329	30,445	35,256	-	17,486	22,518,977
158,858	(933)	4,926	(557,224)	-	12,430	214	(2,478)	143,575	238,247	11,223	(1,133)	733	21,265	9,900,671
-	-	-	557,224	-	-	4,786	-	-	-	-	-	-	-	562,010
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(545,950)
-	-	-	557,224	-	-	4,786	-	-	-	-	-	-	-	16,060
158,858	(933)	4,926	-	-	12,430	5,000	(2,478)	143,575	238,247	11,223	(1,133)	733	21,265	9,916,731
34,209	103,643	92,228	-	-	-	-	138,556	23,016	210,829	118,801	89,828	132	41,131	53,735,088
$ 193,067	$ 102,710	$ 97,154	$ -	$ -	$ 12,430	$ 5,000	$ 136,078	$ 166,591	$ 449,076	$ 130,024	$ 88,695	$ 865	$ 62,396	$ 63,651,819

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 15,000	$ 15,000	$ 63,338	$ -	$ 63,338	$ 48,338
Investment earnings	60	60	3,166	-	3,166	3,106
Total Revenue	15,060	15,060	66,504	-	66,504	51,444
EXPENDITURES						
Library services	20,000	56,376	50,220	-	50,220	6,156
Total Expenditures	20,000	56,376	50,220	-	50,220	6,156
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,940)	(41,316)	16,284	-	16,284	57,600
FUND BALANCE, BEGINNING OF YEAR	43,770	43,770	43,770	-	43,770	-
FUND BALANCE, END OF YEAR	$ 38,830	$ 2,454	$ 60,054	$ -	$ 60,054	$ 57,600

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 7,816,370	$ 7,816,370	$ 8,467,146	$ -	$ 8,467,146	$ 650,776
Investment earnings	25,000	25,000	831,510	-	831,510	806,510
Total Revenue	7,841,370	7,841,370	9,298,656	-	9,298,656	1,457,286
EXPENDITURES						
Public works	7,956,378	20,421,407	5,045,913	(2,139,103)	2,906,810	17,514,597
Debt service						
Principal	2,315,000	2,315,000	2,315,000	-	2,315,000	-
Interest and fiscal charges	324,675	325,200	325,200	-	325,200	-
Total Expenditures	10,596,053	23,061,607	7,686,113	(2,139,103)	5,547,010	17,514,597
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,754,683)	(15,220,237)	1,612,543	2,139,103	3,751,646	18,971,883
FUND BALANCE, BEGINNING OF YEAR	19,024,272	19,024,272	19,024,272	-	19,024,272	-
FUND BALANCE, END OF YEAR	$ 16,269,589	$ 3,804,035	$ 20,636,815	$ 2,139,103	$ 22,775,918	$ 18,971,883

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 273,723	$ -	273,723	273,723
Investment earnings	8,000	8,000	248,111	-	248,111	240,111
Memorials and contributions	-	-	6,154	-	6,154	6,154
Total Revenue	8,000	8,000	527,988	-	527,988	519,988
EXPENDITURES						
Parks & recreation services	3,206,122	6,758,884	111,471	(377,146)	(265,675)	7,024,559
Total Expenditures	3,206,122	6,758,884	111,471	(377,146)	(265,675)	7,024,559
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,198,122)	(6,750,884)	416,517	377,146	793,663	7,544,547
FUND BALANCE, BEGINNING OF YEAR	5,666,576	5,666,576	5,666,576	-	5,666,576	-
FUND BALANCE, END OF YEAR	$ 2,468,454	$(1,084,308)	$ 6,083,093	$ 377,146	$ 6,460,239	$ 7,544,547

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 191,950	$ -	$ 191,950	$ 191,950
Investment earnings	4,000	4,000	86,641	-	86,641	82,641
Total Revenue	4,000	4,000	278,591	-	278,591	274,591
EXPENDITURES						
Parks & recreation services	244,658	244,658	137,666	11,318	148,984	95,674
Total Expenditures	244,658	244,658	137,666	11,318	148,984	95,674
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(240,658)	(240,658)	140,925	(11,318)	129,607	370,265
FUND BALANCE, BEGINNING OF YEAR	2,049,534	2,049,534	2,049,534	-	2,049,534	-
FUND BALANCE, END OF YEAR	$ 1,808,876	$ 1,808,876	$ 2,190,459	$(11,318)	$ 2,179,141	$ 370,265

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 145,000	$ 145,000	$ 126,864	$ -	$ 126,864	$(18,136)
Investment earnings	1,000	1,000	29,951	-	29,951	28,951
Total Revenue	146,000	146,000	156,815	-	156,815	10,815
EXPENDITURES						
Communications	763,650	763,650	104,505	1,979	106,484	657,166
Total Expenditures	763,650	763,650	104,505	1,979	106,484	657,166
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(617,650)	(617,650)	52,310	(1,979)	50,331	667,981
FUND BALANCE, BEGINNING OF YEAR	731,231	731,231	731,231	-	731,231	-
FUND BALANCE, END OF YEAR	$ 113,581	$ 113,581	$ 783,541	$(1,979)	$ 781,562	$ 667,981

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,219,135	$ 4,219,135	$ 4,687,631	$ -	$ 4,687,631	$ 468,496
Investment earnings	20,000	20,000	565,734	-	565,734	545,734
Total Revenue	4,239,135	4,239,135	5,253,365	-	5,253,365	1,014,230
EXPENDITURES						
Public works	5,007,991	16,492,813	2,320,038	(2,234,159)	85,879	16,406,934
Total Expenditures	5,007,991	16,492,813	2,320,038	(2,234,159)	85,879	16,406,934
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(768,856)	(12,253,678)	2,933,327	2,234,159	5,167,486	17,421,164
FUND BALANCE, BEGINNING OF YEAR	12,783,139	12,783,139	12,783,139	-	12,783,139	-
FUND BALANCE, END OF YEAR	$ 12,014,283	$ 529,461	$ 15,716,466	$ 2,234,159	$ 17,950,625	$ 17,421,164

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,219,135	$ 4,219,135	$ 4,687,631	$ -	$ 4,687,631	$ 468,496
Investment earnings	12,500	12,500	328,502	-	328,502	316,002
Total Revenue	4,231,635	4,231,635	5,016,133	-	5,016,133	784,498
EXPENDITURES						
Parks & recreation services	6,310,594	12,834,112	2,240,997	(94,295)	2,146,702	10,687,410
Total Expenditures	6,310,594	12,834,112	2,240,997	(94,295)	2,146,702	10,687,410
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,078,959)	(8,602,477)	2,775,136	94,295	2,869,431	11,471,908
OTHER FINANCING SOURCES (USES)						
Transfer out	(545,950)	(545,950)	(545,950)	-	(545,950)	-
Total Other Financing Sources (Uses)	(545,950)	(545,950)	(545,950)	-	(545,950)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,624,909)	(9,148,427)	2,229,186	94,295	2,323,481	11,471,908
FUND BALANCE, BEGINNING OF YEAR	7,396,501	7,396,501	7,396,501	-	7,396,501	-
FUND BALANCE, END OF YEAR	$ 4,771,592	$(1,751,926)	$ 9,625,687	$ 94,295	$ 9,719,982	$ 11,471,908

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,197,905	$ 4,197,905	$ 4,625,980	$ -	$ 4,625,980	$ 428,075
Investment earnings	3,500	3,500	130,575	-	130,575	127,075
Other revenue	-	-	-	-	-	-
Total Revenue	4,201,405	4,201,405	4,756,555	-	4,756,555	555,150
EXPENDITURES						
Police services	4,113,412	4,161,529	3,640,270	(2,181)	3,638,089	523,440
Total Expenditures	4,113,412	4,161,529	3,640,270	(2,181)	3,638,089	523,440
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	87,993	39,876	1,116,285	2,181	1,118,466	1,078,590
FUND BALANCE, BEGINNING OF YEAR	3,283,514	3,283,514	3,283,514	-	3,283,514	-
FUND BALANCE, END OF YEAR	$ 3,371,507	$ 3,323,390	$ 4,399,799	$ 2,181	$ 4,401,980	$ 1,078,590

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 4,176,810	$ 4,176,810	$ 4,615,870	$ -	$ 4,615,870	$ 439,060
Investment earnings	900	900	63,579	-	63,579	62,679
Total Revenue	4,177,710	4,177,710	4,679,449	-	4,679,449	501,739
EXPENDITURES						
Fire and emergency services	3,396,878	3,817,020	3,814,181	2,192	3,816,373	647
Total Expenditures	3,396,878	3,817,020	3,814,181	2,192	3,816,373	647
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	780,832	360,690	865,268	(2,192)	863,076	502,386
FUND BALANCE, BEGINNING OF YEAR	1,801,172	1,801,172	1,801,172	-	1,801,172	-
FUND BALANCE, END OF YEAR	$ 2,582,004	$ 2,161,862	$ 2,666,440	$(2,192)	$ 2,664,248	$ 502,386

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Parks & recreation services	-	11,354	-	-	-	11,354
Total Expenditures	-	11,354	-	-	-	11,354
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(11,354)	-	-	-	11,354
FUND BALANCE, BEGINNING OF YEAR	18,150	18,150	18,150	-	18,150	-
FUND BALANCE, END OF YEAR	$ 18,150	$ 6,796	$ 18,150	$ -	$ 18,150	$ 11,354

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 50	$ 50	$ 1,736	$ -	$ 1,736	$ 1,686
Fines and forfeitures	-	-	98	-	98	98
Total Revenue	50	50	1,834	-	1,834	1,784
EXPENDITURES						
Police services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	50	50	1,834	-	1,834	1,784
FUND BALANCE, BEGINNING OF YEAR	21,190	21,190	21,190	-	21,190	-
FUND BALANCE, END OF YEAR	$ 21,240	$ 21,240	$ 23,024	$ -	$ 23,024	$ 1,784

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Police services	9,827	61,374	59,461	1,467	60,928	446
Total Expenditures	9,827	61,374	59,461	1,467	60,928	446
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(9,827)	(61,374)	(59,461)	(1,467)	(60,928)	446
FUND BALANCE, BEGINNING OF YEAR	63,666	63,666	63,666	-	63,666	-
FUND BALANCE, END OF YEAR	$ 53,839	$ 2,292	$ 4,205	$(1,467)	$ 2,738	$ 446

Town of Flower Mound, Texas
Justice Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 154,925	$ -	$ 154,925	$ 154,925
Investment earnings	30	30	3,933	-	3,933	3,903
Total Revenue	30	30	158,858	-	158,858	158,828
EXPENDITURES						
Police services	28,645	28,645	-	-	-	28,645
Total Expenditures	28,645	28,645	-	-	-	28,645
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(28,615)	(28,615)	158,858	-	158,858	187,473
FUND BALANCE, BEGINNING OF YEAR	34,209	34,209	34,209	-	34,209	-
FUND BALANCE, END OF YEAR	$ 5,594	$ 5,594	$ 193,067	$ -	$ 193,067	$ 187,473

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 19,502	$ -	$ 19,502	$ 19,502
Other revenue			36,000	-	36,000	36,000
Total Revenue	-	-	55,502	-	55,502	55,502
EXPENDITURES						
Police services	80,000	80,000	56,435	-	56,435	23,565
Total Expenditures	80,000	80,000	56,435	-	56,435	23,565
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(80,000)	(80,000)	(933)	-	(933)	79,067
FUND BALANCE, BEGINNING OF YEAR	103,643	103,643	103,643	-	103,643	-
FUND BALANCE, END OF YEAR	$ 23,643	$ 23,643	$ 102,710	$ -	$ 102,710	$ 79,067

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 150	$ 150	$ 3,766	$ -	$ 3,766	$ 3,616
Memorials and contributions	8,000	8,000	9,205	-	9,205	1,205
Total Revenue	8,150	8,150	12,971	-	12,971	4,821
EXPENDITURES						
Police services	30,000	30,000	8,045	-	8,045	21,955
Total Expenditures	30,000	30,000	8,045	-	8,045	21,955
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(21,850)	(21,850)	4,926	-	4,926	26,776
FUND BALANCE, BEGINNING OF YEAR	92,228	92,228	92,228	-	92,228	-
FUND BALANCE, END OF YEAR	$ 70,378	$ 70,378	$ 97,154	$ -	$ 97,154	$ 26,776

Town of Flower Mound, Texas
SAFER Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ -	$ 4,495	$ 215,291	$ -	$ 215,291	$ 210,796
Total Revenue	-	4,495	215,291	-	215,291	210,796
EXPENDITURES						
Fire and emergency services	-	772,516	772,515	-	772,515	1
Total Expenditures	-	772,516	772,515	-	772,515	1
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(768,021)	(557,224)	-	(557,224)	210,797
OTHER FINANCING SOURCES (USES)						
Transfer In	-	557,224	557,224	-	557,224	-
Total Other Financing Sources (Uses)	-	557,224	557,224	-	557,224	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(210,797)	-	-	-	210,797
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(210,797)	$ -	$ -	$ -	$ 210,797

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 229,923	$ 229,923	$ 408,543	$ -	$ 408,543	$ 178,620
Other Revenue	-	-	12,430	-	12,430	12,430
Total Revenue	229,923	229,923	420,973	-	420,973	191,050
EXPENDITURES						
Parks & recreation services	229,923	548,878	408,543	8,954	417,497	131,381
Total Expenditures	229,923	548,878	408,543	8,954	417,497	131,381
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(318,955)	12,430	(8,954)	3,476	322,431
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(318,955)	$ 12,430	$(8,954)	$ 3,476	$ 322,431

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 43,143	$ 37,212	$ -	$ 37,212	$(5,931)
Total Revenue	-	43,143	37,212	-	37,212	(5,931)
EXPENDITURES						
Parks & recreation services	-	2,118,069	-	330,185	330,185	1,787,884
Police services	-	34,571	32,121	-	32,121	2,450
Fire and emergency services	-	13,716	4,877	-	4,877	8,839
Total Expenditures	-	2,166,356	36,998	330,185	367,183	1,799,173
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(2,123,213)	214	(330,185)	(329,971)	1,793,242
OTHER FINANCING SOURCES (USES)						
Transfer in	-	4,427	4,786	-	4,786	359
Total Other Financing Sources (Uses)	-	4,427	4,786	-	4,786	359
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(2,118,786)	5,000	(330,185)	(325,185)	1,793,601
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(2,118,786)	$ 5,000	$(330,185)	$(325,185)	$ 1,793,601

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 80,150	$ 80,150	$ 88,032	$ -	$ 88,032	$ 7,882
Investment earnings	300	300	6,085	-	6,085	5,785
Total Revenue	80,450	80,450	94,117	-	94,117	13,667
EXPENDITURES						
Public works	130,000	130,000	96,595	(1,388)	95,207	34,793
Total Expenditures	130,000	130,000	96,595	(1,388)	95,207	34,793
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(49,550)	(49,550)	(2,478)	1,388	(1,090)	48,460
FUND BALANCE, BEGINNING OF YEAR	138,556	138,556	138,556	-	138,556	-
FUND BALANCE, END OF YEAR	$ 89,006	$ 89,006	$ 136,078	$ 1,388	$ 137,466	$ 48,460

Town of Flower Mound, Texas
COVID-19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ -	$ 543,408	$ -	$ 543,408	$ 543,408
Investment earnings	-	-	143,575	-	143,575	143,575
Total Revenue	-	-	686,983	-	686,983	686,983
EXPENDITURES						
Fire and emergency services	10,168	375,812	220,905	138,521	359,426	16,386
Public Works	-	2,887,272	322,503	(192,297)	130,206	2,757,066
Total Expenditures	10,168	3,263,084	543,408	(53,776)	489,632	2,773,452
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(10,168)	(3,263,084)	143,575	53,776	197,351	3,460,435
FUND BALANCE, BEGINNING OF YEAR	23,016	23,016	23,016	-	23,016	-
FUND BALANCE, END OF YEAR	$ 12,848	$(3,240,068)	$ 166,591	$ 53,776	$ 220,367	$ 3,460,435

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 450,000	$ 450,000	$ 573,356	$ -	$ 573,356	$ 123,356
Investment earnings	500	500	13,220	-	13,220	12,720
Total Revenue	450,500	450,500	586,576	-	586,576	136,076
EXPENDITURES						
Parks & recreation services	400,000	400,000	348,329	-	348,329	51,671
Total Expenditures	400,000	400,000	348,329	-	348,329	51,671
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	50,500	50,500	238,247	-	238,247	187,747
FUND BALANCE, BEGINNING OF YEAR	210,829	210,829	210,829	-	210,829	-
FUND BALANCE, END OF YEAR	$ 261,329	$ 261,329	$ 449,076	$ -	$ 449,076	$ 187,747

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 33,110	$ 33,110	$ 36,454	$ -	$ 36,454	$ 3,344
Investment earnings	250	250	5,214	-	5,214	4,964
Total Revenue	33,360	33,360	41,668	-	41,668	8,308
EXPENDITURES						
Financial services	45,100	45,100	30,445	-	30,445	14,655
Total Expenditures	45,100	45,100	30,445	-	30,445	14,655
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(11,740)	(11,740)	11,223	-	11,223	22,963
FUND BALANCE, BEGINNING OF YEAR	118,801	118,801	118,801	-	118,801	-
FUND BALANCE, END OF YEAR	$ 107,061	$ 107,061	$ 130,024	$ -	$ 130,024	$ 22,963

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 27,400	$ 27,400	$ 30,018	$ -	$ 30,018	$ 2,618
Investment earnings	200	200	4,105	-	4,105	3,905
Total Revenue	27,600	27,600	34,123	-	34,123	6,523
EXPENDITURES						
Financial services	35,415	35,415	35,256	-	35,256	159
Total Expenditures	35,415	35,415	35,256	-	35,256	159
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,815)	(7,815)	(1,133)	-	(1,133)	6,682
FUND BALANCE, BEGINNING OF YEAR	89,828	89,828	89,828	-	89,828	-
FUND BALANCE, END OF YEAR	$ 82,013	$ 82,013	$ 88,695	$ -	$ 88,695	$ 6,682

Town of Flower Mound, Texas
Municipal Court Jury Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 660	$ 660	$ 733	$ -	$ 733	$ 73
Total Revenue	660	660	733	-	733	73
EXPENDITURES						
Financial services	500	500	-	-	-	500
Total Expenditures	500	500	-	-	-	500
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	160	160	733	-	733	573
FUND BALANCE, BEGINNING OF YEAR	132	132	132	-	132	-
FUND BALANCE, END OF YEAR	$ 292	$ 292	$ 865	$ -	$ 865	$ 573

Town of Flower Mound, Texas
Municipal Court Truancy Prevention Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2023

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 33,050	$ 33,050	$ 36,691	$ -	$ 36,691	$ 3,641
Investment earnings	60	60	2,060	-	2,060	2,000
Total Revenue	33,110	33,110	38,751	-	38,751	5,641
EXPENDITURES						
Financial services	35,000	35,000	17,486	-	17,486	17,514
Total Expenditures	35,000	35,000	17,486	-	17,486	17,514
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,890)	(1,890)	21,265	-	21,265	23,155
FUND BALANCE, BEGINNING OF YEAR	41,131	41,131	41,131	-	41,131	-
FUND BALANCE, END OF YEAR	$ 39,241	$ 39,241	$ 62,396	$ -	$ 62,396	$ 23,155

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2023

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 623,820	$ 8,710,044	$ 9,333,864
Investments	1,033,475	7,794,597	8,828,072
Total current assets	1,657,295	16,504,641	18,161,936
Total Assets	1,657,295	16,504,641	18,161,936
LIABILITIES			
Current liabilities:			
Accounts payable	13,221	138,005	151,226
Estimated health claims	1,427,837	-	1,427,837
Total current liabilities	1,441,058	138,005	1,579,063
Total Liabilities	1,441,058	138,005	1,579,063
NET POSITION			
Unrestricted	216,237	16,366,636	16,582,873
Total net position	$ 216,237	$ 16,366,636	$ 16,582,873

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2023

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 13,197,958	$ 2,948,300	$ 16,146,258
Other	-	1,165,576	1,165,576
Total operating revenue	13,197,958	4,113,876	17,311,834
Operating expenses:			
Maintenance and operations	-	2,119,222	2,119,222
Health insurance and flexible benefits	15,569,611	-	15,569,611
Total operating expenses	15,569,611	2,119,222	17,688,833
Operating income	(2,371,653)	1,994,654	(376,999)
Nonoperating revenues (expenses):			
Interest income	104,552	594,106	698,658
Total nonoperating revenue (expenses)	104,552	594,106	698,658
Income before contributions and transfers	(2,267,101)	2,588,760	321,659
Transfers in	4,275	-	4,275
Change in net position	(2,262,826)	2,588,760	325,934
Total net position - beginning	2,479,063	13,777,876	16,256,939
Total net position - ending	$ 216,237	$ 16,366,636	$ 16,582,873

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2023

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 13,197,958	$ 4,113,876	$ 17,311,834
Cash paid for goods and services	(8,582,515)	(1,983,309)	(10,565,824)
Cash paid for claims	(6,853,618)	-	(6,853,618)
Net cash provided (used) by operating activities	(2,238,175)	2,130,567	(107,608)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	4,275	-	4,275
Net cash provided (used) by capital and related financing activities	4,275	-	4,275
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	3,729,969	217,217	3,947,186
Purchase of investment securities	(2,606,000)	-	(2,606,000)
Interest received	104,552	594,106	698,658
Net cash provided (used) by investing activities	1,228,521	811,323	2,039,844
Net increase in cash and cash equivalents	(1,005,379)	2,941,890	1,936,511
Cash and cash equivalents, October 1	1,629,199	5,768,154	7,397,353
Cash and cash equivalents, September 30	$ 623,820	$ 8,710,044	$ 9,333,864
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (2,371,653)	$ 1,994,654	$ (376,999)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	-	-	-
Increase (Decrease) in accounts payable and accrued liabilities	133,478	135,913	269,391
Total adjustments	133,478	135,913	269,391
Net cash provided (used) by operating activities	$ (2,238,175)	$ 2,130,567	$ (107,608)

THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 126

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 134

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 140

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 145

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 146

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Governmental Activities				
Net investment in capital assets	$ 175,530,741	$ 188,789,944	$ 202,543,406	$ 230,421,353
Restricted	23,945,799	25,308,366	27,217,009	36,676,874
Unrestricted	29,465,747	31,910,667	28,577,413	16,371,786
Total governmental activities net position	$ 228,942,287	$ 246,008,977	$ 258,337,828	$ 283,470,013
Business-type activities				
Net investment in capital assets	$ 110,430,392	$ 118,357,125	$ 126,551,908	$ 138,553,283
Restricted	1,226,993	1,227,110	-	-
Unrestricted	17,731,386	19,427,428	18,002,680	16,986,793
Total business-type activities net position	$ 129,388,771	$ 139,011,663	$ 144,554,588	$ 155,540,076
Primary government				
Net investment in capital assets	$ 285,961,133	$ 307,147,069	$ 329,095,314	$ 368,974,636
Restricted	25,172,792	26,535,476	27,217,009	36,676,874
Unrestricted	47,197,133	51,338,095	46,580,093	33,358,579
Total primary government net position	$ 358,331,058	$ 385,020,640	$ 402,892,416	$ 439,010,089

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 271,744,498	$ 274,850,281	$ 284,502,370	$ 295,048,373	$ 308,572,131	$ 321,761,029
40,469,469	42,179,244	45,967,635	53,616,906	58,614,169	69,602,155
8,344,796	30,563,245	32,776,066	39,178,699	49,884,164	56,636,524
$ 320,558,763	$ 347,592,770	$ 363,246,071	$ 387,843,978	$ 417,070,464	$ 447,999,708
$ 145,749,885	$ 143,033,465	$ 146,438,852	$ 150,778,480	$ 152,840,348	$ 155,694,087
-	21,457,609	24,814,356	27,003,287	28,893,868	30,191,619
21,282,106	11,607,987	11,992,793	10,911,823	17,846,772	26,782,704
$ 167,031,991	$ 176,099,061	$ 183,246,001	$ 188,693,590	$ 199,580,988	$ 212,668,410
$ 417,494,383	$ 417,883,746	$ 430,941,222	$ 445,826,853	$ 461,412,479	$ 477,455,116
40,469,469	63,636,853	70,781,991	80,620,193	87,508,037	99,793,774
29,626,902	42,171,232	44,768,859	50,090,522	67,730,936	83,419,228
$ 487,590,754	$ 523,691,831	$ 546,492,072	$ 576,537,568	$ 616,651,452	$ 660,668,118

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Expenses				
Governmental activities:				
Town manager's office	$ 2,648,162	$ 2,710,185	$ 2,794,319	$ 2,931,578
Legislative services	368,095	420,248	452,165	664,969
Development services	2,123,293	2,127,945	2,190,178	2,293,593
Parks & recreation services	11,264,282	13,099,658	7,220,132	13,082,357
Library services	-	-	-	-
Police services	13,667,054	13,636,237	14,942,215	15,684,683
Financial services	3,507,742	3,410,121	3,619,248	3,655,549
Administrative services	4,310,194	5,401,704	5,490,036	5,883,895
Fire and emergency services	12,504,864	13,404,744	16,043,210	17,298,859
Communications	747,360	835,127	816,871	784,921
Public works	12,291,758	1,480,041	18,685,536	12,763,676
Environmental services	1,173,832	1,309,252	1,417,981	1,514,141
Interest on long-term debt	1,758,611	2,048,454	2,166,224	1,976,019
Total governmental activities expenses	66,365,247	59,883,716	75,838,115	78,534,240
Business-type activities:				
Utilities	35,419,015	37,704,865	41,019,967	39,100,879
Total business-type activities expenses	35,419,015	37,704,865	41,019,967	39,100,879
Total primary government expenses	$ 101,784,262	$ 97,588,581	$ 116,858,082	$ 117,635,119
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ 2,500	$ -	$ 99,045	$ 26,399
Legislative services	16,365	13,917	16,314	25,308
Development services	1,687,584	2,047,297	2,041,912	2,360,325
Parks & recreation services	2,188,035	2,300,345	2,340,095	2,389,950
Library services	-	-	-	-
Police services	399,995	441,151	448,882	516,711
Financial services	1,079,118	939,602	829,306	1,014,759
Fire and emergency services	781,113	892,032	878,476	1,306,594
Public works	532,904	442,777	780,723	533,319
Environmental services	426,704	458,834	486,364	483,490
Operating grants and contributions	2,000,918	2,248,278	1,561,498	2,667,162
Capital grants and contributions	2,081,922	2,313,210	9,079,280	15,883,383
Total governmental activities program revenues	11,197,158	12,097,443	18,561,895	27,207,400
Business-type activities:				
Charges for services:				
Utilities	37,854,941	37,913,395	39,717,976	42,267,497
Capital grants and contributions	4,732,349	9,822,924	8,098,696	9,222,359
Total business-type activities program revenues	42,587,290	47,736,319	47,816,672	51,489,856
Total primary government program revenues	$ 53,784,448	$ 59,833,762	$ 66,378,567	$ 78,697,256
Net (expense)/revenue				
Governmental activities	$ (55,168,089)	$ (47,786,273)	$ (57,276,220)	$ (51,326,840)
Business-type activities	7,168,275	10,031,454	6,796,705	12,388,977
Total primary government net expense	$ (47,999,814)	$ (37,754,819)	$ (50,479,515)	$ (38,937,863)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 33,798,797	$ 36,055,874	$ 39,266,228	$ 43,632,879
Sales tax	18,583,674	20,559,174	21,459,819	23,612,871
Occupancy tax	1,012	142	-	4,151
Franchise tax	6,005,446	6,351,221	5,810,150	5,617,437
Alcoholic beverage taxes	141,822	157,443	210,589	217,777
Investment earnings	85,606	87,924	277,366	710,654
Miscellaneous	1,807,192	1,516,422	698,314	662,960
Transfers	2,091,892	2,017,494	1,882,605	2,000,296
Total governmental activities	62,515,441	66,745,694	69,605,071	76,459,025
Business-type activities:				
Investment earnings	29,734	35,434	105,338	275,492
Miscellaneous	346,657	1,841,791	523,487	321,315
Transfers	(2,091,892)	(2,017,494)	(1,882,605)	(2,000,296)
Total business-type activities	(1,715,501)	(140,269)	(1,253,780)	(1,403,489)
Total primary government	$ 60,799,940	$ 66,605,425	$ 68,351,291	$ 75,055,536
Change in Net Position				
Governmental activities	$ 7,347,352	$ 18,959,421	$ 12,328,851	$ 25,132,185
Business-type activities	5,452,774	9,891,185	5,542,925	10,985,488
Total primary government	$ 12,800,126	$ 28,850,606	$ 17,871,776	$ 36,117,673

Note: Library Services was previously included with Community Services prior to fiscal year 2019.

Fiscal Year						
2018	2019	2020	2021	2022	2023
$ 3,201,156	$ 3,273,180	$ 3,454,566	$ 4,298,875	$ 3,680,978	$ 3,388,706
1,041,158	524,126	506,395	535,517	513,592	667,367
3,056,531	1,983,306	2,187,528	2,218,168	2,192,825	2,511,730
6,743,384	12,344,192	7,053,088	15,329,914	18,144,574	16,575,189
-	1,896,889	1,943,000	1,997,725	2,049,541	2,322,283
17,070,265	18,964,282	17,946,700	19,575,430	21,880,685	24,667,709
2,584,378	4,000,678	4,392,826	3,181,737	4,728,707	5,098,691
5,870,601	6,038,018	6,508,843	6,278,393	7,055,671	7,655,684
16,762,366	20,916,756	20,719,163	23,087,386	23,173,628	28,810,186
736,150	806,512	784,176	749,660	753,285	1,022,276
16,572,455	10,155,359	24,568,733	15,315,949	10,213,207	15,174,383
1,515,323	1,487,918	1,509,345	1,491,166	1,543,131	1,511,256
2,510,411	2,449,547	2,332,467	2,015,265	1,741,793	1,489,993
77,664,178	84,840,763	93,906,830	96,075,185	97,671,617	110,895,453
43,265,124	42,723,810	45,970,592	47,920,418	51,170,127	51,443,477
43,265,124	42,723,810	45,970,592	47,920,418	51,170,127	51,443,477
$ 120,929,302	$ 127,564,573	$ 139,877,422	$ 143,995,603	$ 148,841,744	$ 162,338,930
$ 37,807	$ 23,847	$ 24,000	$ -	$ -	$ -
23,448	25,519	27,973	26,457	29,887	17,579
2,310,183	2,157,785	2,382,693	2,562,484	2,645,219	2,032,237
3,984,991	3,657,765	2,616,256	4,115,136	4,334,297	3,575,370
-	-	-	64,655	64,655	64,655
536,449	906,899	946,479	1,058,012	1,048,299	1,403,800
1,309,723	1,100,410	718,172	1,037,078	1,165,109	1,198,573
1,342,585	1,521,255	1,520,388	1,529,381	2,261,583	4,347,327
381,088	438,973	427,204	97,545	92,349	372,671
435,039	207,400	222,902	240,533	465,615	283,532
374,203	183,013	2,239,746	2,313,000	3,601,013	1,239,871
22,774,091	13,214,793	8,183,369	12,039,573	8,643,597	10,647,484
33,509,607	23,437,659	19,309,182	25,083,854	24,351,623	25,183,099
46,091,632	42,418,217	46,600,326	48,509,922	56,273,795	59,995,515
9,988,175	9,103,720	7,382,266	7,029,200	7,728,163	4,114,012
56,079,807	51,521,937	53,982,592	55,539,122	64,001,958	64,109,527
$ 89,589,414	$ 74,959,596	$ 73,291,774	$ 80,622,976	$ 88,353,581	$ 89,292,626
$ (44,154,571)	$ (61,403,104)	$ (74,597,648)	$ (70,991,331)	$ (73,319,994)	$ (85,712,354)
12,814,683	8,798,127	8,012,000	7,618,704	12,831,831	12,666,050
$ (31,339,888)	$ (52,604,977)	$ (66,585,648)	$ (63,372,627)	$ (60,488,163)	$ (73,046,304)
$ 47,498,500	$ 51,056,486	$ 54,639,637	$ 56,852,372	$ 55,478,487	$ 60,960,971
24,282,172	25,286,435	25,360,411	28,861,624	34,929,500	37,369,199
295,026	348,307	251,204	302,908	419,080	573,356
6,082,737	6,370,168	5,688,313	5,521,016	7,038,300	7,348,496
253,845	245,537	216,980	322,451	338,037	358,109
1,768,842	2,791,043	1,417,681	114,893	940,523	6,373,438
967,743	1,120,705	787,908	1,011,374	600,368	841,192
2,009,653	1,218,430	1,888,815	2,602,600	2,802,185	2,816,837
83,158,518	88,437,111	90,250,949	95,589,238	102,546,480	116,641,598
627,308	1,097,353	643,619	37,797	469,387	2,973,332
369,510	390,020	380,136	393,688	388,365	264,877
(2,009,653)	(1,218,430)	(1,888,815)	(2,602,600)	(2,802,185)	(2,816,837)
(1,012,835)	268,943	(865,060)	(2,171,115)	(1,944,433)	421,372
$ 82,145,683	$ 88,706,054	$ 89,385,889	$ 93,418,123	$ 100,602,047	$ 117,062,970
$ 39,003,947	$ 27,034,007	$ 15,653,301	$ 24,597,907	$ 29,226,486	$ 30,929,244
11,801,848	9,067,070	7,146,940	5,447,589	10,887,398	13,087,422
$ 50,805,795	$ 36,101,077	$ 22,800,241	$ 30,045,496	$ 40,113,884	$ 44,016,666

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
General fund				
Nonspendable	$ 240,930	$ 336,250	$ 927,238	$ 604,846
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	15,893,121	16,553,717	15,256,717	16,493,062
Total general fund	$ 16,134,051	$ 16,889,967	$ 16,183,955	$ 17,097,908
All other governmental funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	25,212,644	32,125,157	34,876,744	59,384,479
Committed	5,072,505	5,457,481	6,251,679	7,733,984
Unassigned	-	3,081,272	3,794,488	-
Total all other governmental funds	$ 30,285,149	$ 40,663,910	$ 44,922,911	$ 67,118,463

Fiscal Year					
2018	2019	2020	2021	2022	2023
$ 743,791	$ 655,344	$ 654,839	$ 768,565	$ 972,077	$ 1,305,881
-	400,000	800,000	393,870	-	-
2,146,865	3,745,079	-	-	-	-
16,053,558	16,670,607	21,309,816	26,694,568	34,011,095	40,627,948
$ 18,944,214	$ 21,471,030	$ 22,764,655	$ 27,857,003	$ 34,983,172	$ 41,933,829
$ -	$ -	$ -	$ 1,819	$ -	$ -
63,258,446	62,512,244	53,372,864	58,859,863	62,440,369	73,745,513
9,848,445	10,032,496	14,236,071	15,199,428	15,840,913	17,043,168
-	-	-	-	-	-
$ 73,106,891	$ 72,544,740	$ 67,608,935	$ 74,061,110	$ 78,281,282	$ 90,788,681

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes				
Ad valorem	$ 33,708,595	$ 36,027,958	$ 39,190,207	$ 43,677,863
Sales	18,583,674	20,559,174	21,459,819	23,612,871
Franchise	5,876,564	6,263,322	5,810,149	5,741,937
Alcoholic beverage	141,822	157,443	210,589	217,777
Hotel Occupancy	1,012	142	-	4,151
Licenses, permits and fees	2,491,454	2,660,155	2,884,561	4,046,052
Intergovernmental	1,058,702	810,727	1,072,176	1,209,747
Impact fees	1,736,534	2,064,618	1,890,116	1,260,099
Charges for services	3,369,519	3,526,909	3,898,400	3,942,536
Fines and forfeits	1,123,235	2,008,030	953,395	1,080,787
Investment earnings	71,183	74,421	242,860	630,619
Memorials and contributions	1,396,978	1,069,943	1,260,516	1,126,082
Other revenue	1,813,713	1,534,940	811,828	864,237
Total revenues	71,372,985	76,757,782	79,684,616	87,414,758
Expenditures				
Current				
Administrative services	4,235,855	5,336,457	5,506,250	5,760,794
Town manager's office	2,635,992	2,690,460	2,750,950	2,896,132
Legislative services	358,625	408,533	433,984	492,664
Development services	1,870,022	1,923,021	1,975,057	2,179,452
Parks & recreation services	10,141,048	14,133,521	14,500,298	12,262,792
Library services	-	-	-	-
Police services	12,839,258	14,607,856	14,999,695	15,409,491
Financial services	3,238,724	3,297,105	3,319,541	3,408,226
Fire and Emergency services	12,066,007	13,153,346	15,421,455	17,761,446
Communications	748,135	827,105	883,205	706,255
Infrastructure services	-	-	-	-
Public works	6,170,269	4,968,970	6,716,275	8,342,275
Environmental services	1,153,293	1,283,872	1,372,669	1,457,040
Capital projects	2,423,620	3,421,644	5,702,293	11,278,456
Debt service				
Principal	5,885,000	6,365,000	6,395,000	6,925,000
Interest and fiscal charges	3,196,560	4,974,162	2,513,803	2,407,368
Total expenditures	66,962,408	77,391,052	82,490,475	91,287,391
Excess of revenues over (under) expenditures	4,410,577	(633,270)	(2,805,859)	(3,872,633)
Other financing sources (uses)				
Issuance of general debt obligation	460,000	6,985,000	3,880,000	22,815,000
Refunded bonds issued	5,245,000	20,170,000	8,525,000	-
Premium on bonds	495,142	3,396,053	1,755,420	2,197,443
Payment to escrow	(5,245,000)	(20,170,000)	(9,653,577)	-
Subscription financin	-	-	-	-
Transfers in	3,223,159	2,398,358	5,107,928	2,729,452
Transfers out	(2,619,355)	(1,011,464)	(3,255,923)	(759,756)
Total other financing sources (uses)	1,558,946	11,767,947	6,358,848	26,982,139
Net change in fund balances	$ 5,969,523	$ 11,134,677	$ 3,552,989	$ 23,109,506
Debt service as a percentage of noncapital expenditures	16.28%	19.08%	16.43%	13.07%

Fiscal Year						
2018	2019	2020	2021	2022	2023
$ 47,496,936	$ 51,054,324	$ 54,486,676	$ 56,731,921	$ 55,540,258	$ 61,083,420
24,282,172	25,286,435	25,360,411	28,861,624	34,929,500	37,369,199
6,050,502	6,174,213	5,812,400	5,528,461	6,969,049	6,967,883
253,845	245,537	216,980	322,451	338,037	358,109
295,026	348,307	251,204	302,908	419,080	573,356
4,415,494	3,546,973	3,795,581	4,216,966	4,867,549	2,867,077
7,868,976	2,031,979	4,190,250	6,373,688	5,443,094	7,411,457
1,932,157	1,090,371	1,306,334	807,008	1,381,721	713,360
4,088,750	4,285,285	3,293,326	4,099,901	4,684,571	5,038,998
1,435,162	1,179,495	789,871	1,136,869	1,310,953	1,448,344
1,578,256	2,445,383	1,229,295	95,903	827,969	5,685,210
69,743	47,018	48,930	14,954	17,884	78,697
1,072,625	1,129,952	859,003	2,815,279	906,184	877,192
100,839,644	98,865,272	101,640,261	111,307,933	117,635,849	130,472,302
5,827,091	5,966,431	6,396,212	6,197,054	7,144,902	7,761,807
3,175,070	3,210,344	3,431,410	4,249,212	3,733,802	3,261,563
480,450	500,810	496,250	535,784	513,223	628,400
2,250,563	1,954,622	2,075,770	2,162,182	2,212,896	2,390,820
14,408,210	10,864,818	8,718,000	14,837,791	15,585,641	14,073,334
-	1,822,047	1,774,928	1,967,638	2,086,279	2,183,620
16,507,737	17,857,411	17,563,887	19,299,137	21,254,060	23,080,543
3,326,780	3,664,878	3,719,892	3,732,132	3,683,461	4,136,049
18,645,235	18,544,641	21,543,680	22,695,481	24,386,912	28,679,355
732,237	720,241	771,160	733,592	724,229	934,575
-	-	-	-	-	-
7,068,851	11,108,493	10,238,390	9,461,411	11,345,422	13,889,051
1,496,868	1,458,742	1,482,847	1,443,788	1,562,986	1,459,091
26,506,531	15,197,860	17,516,366	3,762,191	4,215,816	2,150,455
9,270,000	9,665,000	8,895,000	8,560,000	7,910,000	8,965,000
3,020,353	3,080,152	3,082,313	2,741,977	2,457,064	409,301
112,715,976	105,616,490	107,706,105	102,379,370	108,816,693	114,002,964
(11,876,332)	(6,751,218)	(6,065,844)	8,928,563	8,819,156	16,469,338
16,665,000	6,050,000	-	-	-	-
-	-	3,150,000	-	-	1,640,000
1,051,413	873,403	494,019	-	-	162,930
-	-	(3,564,197)	-	-	(1,806,502)
-	-	-	-	-	179,728
6,056,482	7,752,977	10,705,431	4,826,215	5,267,318	5,487,297
(4,061,829)	(5,960,497)	(8,361,589)	(2,210,255)	(2,740,133)	(2,674,735)
19,711,066	8,715,883	2,423,664	2,615,960	2,527,185	2,988,718
$ 7,834,734	$ 1,964,665	$ (3,642,180)	$ 11,544,523	$ 11,346,341	$ 19,458,056
16.74%	16.38%	13.92%	12.92%	11.54%	9.72%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2014	7,334,383,104	785,024,308	894,558,609	7,224,848,803	0.4497
2015	7,993,458,807	842,357,983	999,503,936	7,836,312,854	0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390
2020	12,106,967,554	1,380,178,587	1,605,022,089	11,882,124,052	0.4365
2021	12,807,404,846	1,586,102,520	1,732,465,003	12,661,042,363	0.4365
2022	13,605,147,766	1,650,071,907	2,022,416,520	13,232,803,153	0.4050
2023	16,744,433,512	1,849,755,687	3,992,290,957	14,601,898,242	0.4050

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2014	0.333670	0.116030	0.449700	1.477000	1.475050	1.530000	1.452500	0.284914	2.211614
2015	0.335350	0.103650	0.439000	1.477000	1.570050	1.540000	1.452500	0.272200	2.188200
2016	0.331170	0.107830	0.439000	1.476730	1.570050	1.540000	1.452500	0.262000	2.177730
2017	0.337669	0.101331	0.439000	1.420000	1.570050	1.540000	1.452500	0.248409	2.107409
2018	0.339698	0.099302	0.439000	1.407500	1.585050	1.540000	1.490000	0.237812	2.084312
2019	0.346474	0.092526	0.439000	1.407500	1.585050	1.540000	1.490000	0.225574	2.072074
2020	0.354008	0.082492	0.436500	1.337500	1.508000	1.470000	1.420000	0.225278	1.999278
2021	0.347797	0.088703	0.436500	1.347300	1.418700	1.407600	1.336300	0.224985	2.008785
2022	0.350644	0.054356	0.405000	1.308500	1.400000	1.362000	1.292000	0.233086	1.946586
2023	0.360873	0.044127	0.405000	1.236800	1.397600	1.344600	1.274600	0.217543	1.859343

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2022-2023			FY 2013-2014		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
ELAN FLOWER MOUND PHASE II VENTURE LLC	$ 113,362,713	1	0.78%	$ -		-
LISANTI FOODSERVICE OF TEXAS INC	99,500,953	2	0.68%	-		-
AVALON LAKESIDE LP	99,500,000	3	0.68%	-		-
WOP 301 FLOWER MOUND LLC	91,832,500	4	0.63%	-		-
CPF PC RIVERWALK LLC	66,507,622	5	0.46%	-		-
WMCi DALLAS I LLC C/O CHRIS TAYLOR	63,500,000	6	0.43%	-		-
FLOWER MOUND HOSPITAL PARTNERS LLC	61,640,000	7	0.42%	-		-
IPT DALLAS DISTRIBUTION PORTFOLIO LP	54,907,842	8	0.38%	-		-
LIT HW1 LP/LIT LP	54,477,810	9	0.37%	-		-
DUKE REALTY LP	51,398,000	10	0.35%	-		-
Robertson's Creek 1031 LLC & RC 1031-West Jordan PR	-		-	46,736,250	1	0.65%
Riverwalk- Price LLC	-		-	31,199,614	2	0.43%
Duke Realty, LP	-		-	30,349,370	3	0.42%
SDCO Highlands Denton County LP	-		-	28,000,000	4	0.39%
LIT HW1 LP	-		-	27,542,612	5	0.38%
SFERS Real Estate Corp MM	-		-	27,366,900	6	0.38%
CRP-3 Corporate Ridge LLC	-		-	27,000,000	7	0.37%
LIT Industrial Texas LTD PS	-		-	26,637,608	8	0.37%
CWS Tridge Mckinney LP ETAL	-		-	24,921,529	9	0.34%
FVLAC Lantana LP ETAL	-		-	24,464,300	10	0.34%
Totals	$ 756,627,440		5.18%	$ 294,218,183		4.07%

Source: Denton Central Appraisal District and Tarrant Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2014	32,304,047	398,582	32,702,629
2015	34,024,901	596,427	34,621,328
2016	37,680,177	171,790	37,851,967
2017	40,193,742	1,714,912	41,908,654
2018	44,774,562	781,485	45,556,047
2019	48,272,632	904,961	49,177,593
2020	50,877,974	1,233,653	52,111,627
2021	53,789,766	722,567	54,512,333
2022	51,665,191	1,503,260	53,168,451
2023	57,850,495	482,544	58,333,039

Source: Denton County Tax Assessor/Collector Office

Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Amount	Percentage of Levy	Years	Amount	Percentage of Levy
32,418,832	99.13%	272,392	32,691,224	99.97%
34,385,162	99.32%	224,015	34,609,177	99.96%
37,654,594	99.48%	175,365	37,829,959	99.94%
41,803,234	99.75%	80,549	41,883,783	99.94%
45,599,813	100.10%	(69,582)	45,530,231	99.94%
49,058,100	99.76%	72,188	49,130,288	99.90%
52,085,844	99.95%	(41,340)	52,044,504	99.87%
54,518,415	100.01%	(44,921)	54,473,494	99.93%
53,077,334	99.83%	43,667	53,121,001	99.91%
58,180,476	99.74%	-	58,180,476	99.74%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Total Primary Government	Percentage of Personal Income *	Per Capita *
2014	49,187,468	17,746,211	6,425,025	59,310,139	5,747,871	138,416,714	2.95%	2,093
2015	47,794,421	20,507,646	7,177,458	62,926,918	4,740,726	143,147,169	2.86%	2,142
2016	45,938,356	20,340,514	20,054,833	59,557,648	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	25,113,546	58,072,477	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	21,382,846	59,436,958	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	17,177,145	80,130,019	-	185,395,172	3.12%	2,438
2020	25,030,852	53,505,162	14,593,656	84,054,802	-	177,184,472	2.80%	2,269
2021	19,751,995	49,389,945	12,531,873	88,335,875	-	170,009,688	-	2,141
2022	15,244,579	45,164,729	10,549,387	92,853,008	-	163,811,703	-	2,085
2023	13,365,093	39,013,206	13,907,154	90,670,630	-	156,956,083	-	1,964

* Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2014	66,933,679	65,735,164	132,668,843	730,467	131,938,376	1.83%	1,995
2015	68,302,067	70,104,376	138,406,443	602,949	137,803,494	1.76%	2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421
2020	78,536,014	98,648,458	177,184,472	1,499,400	175,685,072	1.57%	2,311
2021	69,141,940	100,867,748	170,009,688	2,264,683	167,745,005	1.32%	2,113
2022	60,409,308	103,402,395	163,811,703	1,354,216	162,457,487	1.23%	2,068
2023	52,378,299	104,577,784	156,956,083	709,997	156,246,086	1.07%	1,955

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(unaudited)

Taxing Body	Bonded Debt**	Percentage of Debt Applicable to Town *	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Town of Flower Mound	$ 52,378,299	100.00%	$ 52,378,299
Total Direct Debt	52,378,299		52,378,299
Overlapping Debt:			
Argyle Independent School District	408,721,443	19.32%	$ 78,964,983
Denton County	624,655,000	9.45%	59,029,898
Denton Independent School District	2,150,181,665	0.15%	3,225,272
Grapevine-Colleyville ISD	289,240,590	*	-
Lewisville Independent School District	1,032,290,000	27.10%	279,750,590
Northwest Independent School District	1,807,155,334	0.28%	5,060,035
Tarrant County	376,120,000	0.19%	714,628
Tarrant County College District	591,230,000	0.19%	1,123,337
Tarrant County Hospital District	448,410,000	0.19%	851,979
Total Overlapping Debt	7,728,004,032		$ 428,720,722
Total Direct and Overlapping Bonded Debt	$ 7,780,382,331		$ 481,099,021

*Less than 0.01 %

* Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

** The Town of Flower Mound's total bonded debt is $156,956,083 with $114,030,451 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2023, was $.4050 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal	Total Revenue	Less: Operating	Net Available	Average Debt Service		
Year	Available*	Expenses**	Revenue	Principal	Interest	Coverage
2014	39,633,604	26,892,489	12,741,115	965,833	106,332	11.88
2015	41,436,058	28,769,104	12,666,954	956,000	85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A
2020	49,891,652	33,799,148	16,092,504	- ***	-	N/A
2021	50,286,024	34,879,896	15,406,128	- ***	-	N/A
2022	58,439,148	37,507,374	20,931,774	- ***	-	N/A
2023	62,549,268	37,211,988	25,337,280	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2014	66,130	-	46,987	-	17,315	4.00%
2015	66,820	-	50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	59,414	-	16,510	2.60%
2020	78,080	-	63,283	-	16,055	4.50%
2021	79,390	-	68,773	-	16,225	3.00%
2022	78,570	-	74,412	-	16,177	2.70%
2023	79,930	-	-	-	16,149	3.20%

* Personal Income and Median Age are only available in census years.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2023			2014		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,400	1	2.82%	562	3	1.51%
MI Windows & Doors	710	2	1.43%	-		-
Texas Health Presbyterian Hospital Flower Mound	700	3	1.41%	603	2	1.62%
Stryker Communications	480	4	0.97%	315	5	0.84%
Likewize	400	5	0.80%	-		-
Thirty-One Gifts	350	6	0.70%	-		-
Best Buy Distribution & Service Center	250	7	0.50%	185	8	0.50%
HD Supply	200	8	0.40%	240	6	0.64%
Ivie & Associates	190	9	0.38%	160	9	0.43%
BOHM Technologies	175	10	0.35%	-		-
Lewisville Independent School District	-	-	-	1,796	1	4.82%
Town of Flower Mound	-	-	-	460	4	1.23%
Nature's Best	-	-	-	200	7	0.54%
Premier Nationwide Lending	-	-	-	140	10	0.38%
Totals	4,855		9.76%	4,661		12.51%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2023.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2014	**2015**	**2016**	**2017**	**2018**	**2019***	**2020**	**2021**	**2022**	**2023**
Function										
Administrative services	29.00	29.00	29.00	30.00	30.00	31.00	30.00	31.00	31.00	31.00
Communications	7.00	7.00	6.00	7.00	7.00	7.00	7.50	7.50	7.50	8.00
Community services	109.50	113.50	113.75	115.50	117.50	-	-	-	-	-
Parks & Recreation Services	-	-	-	-	-	99.25	99.25	99.25	101.00	102.00
Library Services	-	-	-	-	-	21.00	21.00	23.00	23.00	23.50
Development services	34.50	30.50	31.50	33.50	33.25	23.00	23.00	23.00	23.00	23.00
Environmental services	14.75	14.75	16.00	17.50	17.50	16.50	16.50	16.50	16.50	17.00
Financial services	38.00	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	38.50
Fire and emergency services	99.50	101.50	114.50	114.50	115.00	116.00	131.00	132.00	138.50	141.50
Infrastructure services	-	-	-	-	-	-	-	-	-	-
Legislative services	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police services	142.50	145.00	148.50	150.50	140.50	151.00	169.75	169.75	173.75	174.50
Public works	79.00	88.50	96.50	98.00	98.75	113.50	113.50	114.50	120.50	121.50
Town manager's office	5.00	5.50	5.50	5.50	6.50	6.50	6.50	6.50	7.50	9.50
Total	561.75	576.75	602.75	613.50	607.50	626.25	659.50	664.50	683.75	694.00

Source: Town Financial Services Department

*Effective fiscal year ending September 30, 2019, Community Services was split into Parks and Recreation Services and Library Services.

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2014	2015	2016	2017
Function				
Development services				
New residential building permits issued	322	500	350	448
Value	$ 142,083,930	$ 219,691,459	$ 167,205,907	$ 205,903,096
New commercial building permits issued	75	73	74	62
Value	$ 143,469,134	$ 145,954,106	$ 187,454,584	$ 118,872,009
Financial services				
Average daily consumption (gallons)	11,644,052	11,261,386	11,839,381	12,168,768
Water customers	22,372	22,917	23,326	23,845
Sewer customers	19,507	20,012	20,385	20,845

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Due to HB 852, Permit values are no longer obtained during the permit process.

Fiscal Year						
2018	2019*	2020	2021	2022	2023
592	500	423	458	396	117
$ 257,252,261	$ 156,432,776	$ -	$ -	$ -	$ -
35	46	59	12	32	13
$ 68,624,239	$ 74,466,756	$ -	$ -	$ -	$ -
13,527,951	10,318,256	12,393,690	11,915,782	14,410,953	14,596,442
24,443	24,977	25,391	25,896	26,222	26,367
21,375	21,883	22,246	22,651	22,901	23,017

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Function										
Community services										
Parks acreage	940	940	940	888*	888	983**	983	991	997	997
Parks	54	54	54	55	55	56	56	56	57	57
Financial services										
Water mains (miles)	420	429	437	448	454	462	467	477	487	484
Fire and Emergency services										
Fire stations	5	5	5	6	6	6	6	7	7	7
Fire hydrants	3,620	3,708	3,819	3,946	4,061	4,184	4,288	4,381	4,468	4,497
Infrastructure services										
Improved streets (miles)	388	401	408	415	415	418	419	422	424	423
Unimproved streets (miles)	7	7	8	8	8	9	10	8	8	8
Storm sewers (miles)	156	160	160	164	164	164	166	169	171	173

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abilene, Texas
March 13, 2024

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Town of Flower Mound, Texas's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2023. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ede Bailly LLP

Abilene, Texas
March 13, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
Federal Awards			
Department of Justice			
Direct Program			
Equitable Sharing Program	16.922	75-1366210	$ 59,461
Direct Program			
Bulletproof Vests Partnership Program	16.607	BVP2021	716
Bulletproof Vests Partnership Program	16.607	BVP2022	8,854
Total Bulletproof Vests Partnership Program			9,570
Total Department of Justice			69,031
Department of Housing and Urban Development			
Direct Program			
COVID-19 Community Development Block Grant	14.218	B-20-MW-48-0042	135,478
Community Development Block Grant	14.218	B-21-MC-48-0042	148,013
Community Development Block Grant	14.218	B-22-MC-48-0042	125,051
Total Community Development Block Grant - Entitlement Grant Cluster			408,542
Total Department of Housing and Urban Development			408,542
Department of Treasury			
Direct Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027	SLT-8164	543,408
Total Department of Treasury			543,408
Department of Homeland Security			
Direct Program			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00093	772,515
Total Department of Homeland Security			772,515
Total Federal Financial Assistance			$ 1,793,496

See Notes to Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Flower Mound, Texas, under programs of the federal government for the year ended September 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the Town.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type, using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The Town is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the Town has previously received a negotiated indirect cost rate for its federal awards.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027

Dollar threshold used to distinguish between type A and type B programs for federal awards:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs required to be reported.

THE TOWN OF
FLOWER MOUND
TEXAS